

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Form: 10KSB

Date Filed: 2005-03-30

Corporate Issuer CIK: 1083446

SICLONE INDUSTRIES, INC.FORM 10-KSB
DECEMBER 31, 2004
INDEX

	Page
PART I	
Item 1. Description of Business	3
Item 2. Description of Property	5
Item 3. Legal Proceedings	5
Item 4. Submission of Matters to a Vote of Security Holders	5
PART II	
Item 5. Market for Common Equity and Related Stockholder Matters	5
Item 6. Management's Discussion and Analysis or Plan of Operation	6
Item 7. Financial Statements	7
Item 8. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure	7
Item 8A. Controls and Procedures	
PART III	
Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act	7
Item 10. Executive Compensation	8
Item 11. Security Ownership of Certain Beneficial Owners and Management	8
Item 12. Certain Relationships and Related Transactions	9
Item 13. Exhibits and Reports on Form 8-K	9
Item 14. Principle Accountant Fees and Services	10
Signatures	11

(Inapplicable items have been omitted)

PART I

Forward-Looking Statement Notice

When used in this report, the words "may," "will," "expect," "anticipate," "continue," "estimate," "project," "intend," and similar expressions are intended to identify forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 regarding events, conditions, and financial trends that may affect the Company's future plans of operations, business strategy, operating results, and financial position. Persons reviewing this report are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and that actual results may differ materially from those included within the forward-looking statements as a result of various factors.

Item 1. Description of Business

Siclone Industries, Inc., originally incorporated in Delaware on November 1, 1985 as McKinnely Investments, Inc. The company changed its name to Accoline Industries, Inc. on November 5, 1986 and again changed its name to Siclone Industries, Inc. on May 24, 1988.

We have not had active business operations inception and are considered a development stage company. In 1993, we entered into an agreement with Bradley S. Shepherd in which Mr. Shepherd agreed to become an officer and director of the Company and use his best efforts to organize and update our books and records and to seek business opportunities for acquisition or participation.

Siclone intends to seek, investigate, and if warranted, acquire an interest in a business opportunity. We will not restrict our search to any particular industry or geographical area and may, therefore, engage in essentially any business in any industry. Our management has unrestricted discretion in seeking and participating in a business opportunity, subject to the availability of such opportunities, economic conditions and other factors.

The selection of a business opportunity in which to participate is complex and extremely risky and will be made by management in the exercise of its business judgment. There is no assurance that we will be able to identify and acquire any business opportunity which will ultimately prove to be beneficial to the Company and its shareholders.

Our activities are subject to several significant risks which arise primarily as a result of the fact that Siclone has no specific business and may acquire or participate in a business opportunity based on the decision of management which will, in all probability, act without the consent, vote, or approval of our shareholders.

Sources of Opportunities

We anticipate that business opportunities may arise from various sources, including our officers and directors, professional advisers, securities broker-dealers, venture capitalists, members of the financial community, and others who may present unsolicited proposals.

We will seek potential business opportunities from all known sources, but will rely principally on the personal contacts of our officers and directors as well as indirect associations between them and other business and professional people. Although we do not anticipate engaging professional firms specializing in business acquisitions or reorganizations, such firms may be retained if management deems it in our best interests. In some instances, we may publish notices or advertisements seeking a potential business opportunity in financial or trade publications.

Criteria

We will not restrict our search to any particular business, industry or geographical location. Siclone may acquire or enter into a business in any industry and in any stage of development. This may include a business or opportunity involving a "start up" or new company. In seeking a business venture, management's decision will not be controlled by an attempt to take advantage of an anticipated or perceived appeal of a specific industry, management group, or product or industry, but will be based upon the business objective of seeking long-term capital appreciation in the real value of the Company.

In analyzing prospective business opportunities, management will consider such matters as the available technical, financial and managerial resources; working capital and other financial requirements; the history of operations, if any; prospects for the future; the nature of present and expected competition; the quality and experience of management services which may be available and the depth of the management; the potential for further research, development or exploration; the potential for growth and expansion; the potential for profit; the perceived public recognition or acceptance of products, services, trade or service marks, name identification; and other relevant factors.

Generally, management will analyze all available factors in the circumstances and make a determination based upon a composite of available facts, without reliance upon any single factor as controlling.

Methods of Participation of Acquisition

Specific business opportunities will be reviewed and, on the basis of that review, the legal structure or method of participation deemed by management to be suitable will be selected. Such structures and methods may include, but are not limited to, leases, purchase and sale agreements, licenses, joint ventures, other contractual arrangements, and may involve a reorganization, merger or consolidation transaction. The Company may act directly or indirectly through an interest in a partnership, corporation, or other form of organization.

Procedures

As part of the ongoing investigation of business opportunities, officers and directors may meet personally with management and key personnel of the firm sponsoring the business opportunity, visit and inspect material facilities, obtain independent analysis or verification of certain information provided, check references of management and key personnel, and conduct other reasonable measures.

Management will generally request that it be provided with written materials regarding the business opportunity containing such items as a description of product, service and company history; management resumes; financial information; available projections with related assumptions upon which they are based; an explanation of proprietary products and services; evidence of existing patents, trademarks or service marks or rights thereto; present and proposed forms of compensation to management; a description of transactions between the prospective entity and its affiliates; relevant analysis of risks and competitive conditions; a financial plan of operation and estimated capital requirements; and other information deemed relevant.

Competition

We expect to encounter substantial competition in our efforts to acquire a business opportunity. The primary competition is from other companies organized and funded for similar purposes, small venture capital partnerships and corporations, small business investment companies and wealthy individuals.

Employees

We do not currently have any employees. We rely upon the efforts of our officers and directors to conduct our business.

Item 2. Description of Property

We do not own or lease any property. We utilize office space in the residence of Bradley S. Shepherd at no cost. Until we pursue a viable business opportunity and recognize income, we will not seek independent office space.

Item 3. Legal Proceedings

To the best of our knowledge no legal proceedings are threatened or pending against Siclone or any of our officers or directors. Further, none of our officers, directors or affiliates are parties against Siclone or have any material interests in actions that are adverse to our interests.

Item 4. Submission of Matters to a Vote of Securities Holders

No matters were submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters

Our common stock is listed on the Over the Counter Bulletin Board under the symbol SICI. As of December 31, 2004, we had approximately 281 shareholders holding 23,810,000 shares of common stock. Of the issued and outstanding common stock, 1,110,000 are free trading, the balance are restricted stock as that term is used in Rule 144.

	CLOSING BID		CLOSING ASK	
	High	Low	High	Low
2004				
First Quarter	.01	.01	None	None
Second Quarter	.01	.01	None	None
Third Quarter	.01	.01	None	None
Fourth Quarter	.01	.01	None	None
2003				
First Quarter	.01	.01	None	None
Second Quarter	.01	.01	None	None
Third Quarter	.01	.01	None	None
Fourth Quarter	.01	.01	None	None

The above quotations, as provided by Pink Sheets, LLC, represent prices between dealers and do not include retail markup, markdown or commission. In addition, these quotations do not represent actual transactions.

There has not been an active market for our stock since 1990. We have not paid or declared any dividends since inception and do not intend to declare any such dividends in the foreseeable future. Our ability to pay dividends is subject to limitations imposed by Delaware law. Under Delaware law, dividends may be paid to the extent that a corporation's assets exceed its liabilities and it is able to pay its debts as they become due in the usual course of business.

Item 6. Management's Discussion and Analysis or Plan of Operation

Years Ended December 31, 2004 and 2003

Siclone did not generate any revenues for the years ending December 31, 2004 and 2003. Expenses for the year ended December 31, 2004 were \$10,089 compared to expenses of \$7,804 during 2003. Expenses during both years consisted mainly of professional, legal and accounting costs related to our public filings.

Since we did not generate revenues for the periods covered, we realized a net loss of \$10,089 for the year ended December 31, 2004 compared to a net loss of \$7,804 for the year ended December 31, 2003.

Years Ended December 31, 2003 and 2002

Siclone has not generated any revenues through December 31, 2003. Expenses for the year ended December 31, 2003 were \$7,804 compared to expenses of \$7,862 during 2002. Expenses during both years consisted mainly of professional, legal and accounting costs related to our public filings.

As a result of the foregoing factors, we realized a net loss of \$7,804 for the year ended December 31, 2003, compared to a net loss of \$7,862 for the year ended December 31, 2002.

Liquidity and Capital Resources

At December 31, 2004 our total assets consisted of \$124 in cash. Total liabilities at December 31, 2004 were \$41,391 consisting of \$33,212 in accounts payable to a related party, \$840 in accounts payable trade and \$7,339 in accrued interest.

We anticipate that our operating expenses for the next twelve months will be approximately \$5,000. In recent years we have relied on advances from our president to cover our operating costs.

Management anticipates that we will receive sufficient advances from our president to meet our needs through the next 12 months. However, there are no formal agreements or understandings to that effect.

Plan of Operation

Our management intends to actively seek business opportunities during the next twelve months. If we identify a suitable business opportunity during the next year our need for capital may change dramatically. Should we require additional capital, we may seek additional advances from officers, sell common stock or find other forms of debt financing. To date we have not pursued any business opportunities and there can be no assurance that we will identify a business venture suitable for acquisition in the future. In addition, we cannot assure that we will be successful in consummating any acquisition on favorable terms or that we will be able to profitably manage any business venture we acquire.

Our current operating plan is to continue searching for potential businesses, products, technologies and companies for acquisition and to handle the administrative and reporting requirements of a public company. To demonstrate our commitment to maintaining ethical reporting and business practices, we have recently filed a Code of Ethics and Business Conduct.

Item 7. Financial Statements.

Our financial statements appear at the end of this report beginning with the Index to Financial Statements on page 12.

Item 8. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 8A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures. The Company's management, with the participation of the chief executive officer and the chief financial officer, carried out an evaluation of the effectiveness of the Company's "disclosure, controls and procedures" (as defined in the Securities Exchange Act of 1934 (the "Exchange Act") Rules 13a-15(3) and 15-d-15(3) as of the end of the period covered by this annual report (the "Evaluation Date"). Based upon that evaluation, the chief executive officer and the chief financial officer concluded that, as of the Evaluation Date, the Company's disclosure, controls and procedures are effective, providing them with material information relating to the Company as required to be disclosed in the reports the Company files or submits under the Exchange Act on a timely basis.

(b) Changes in Internal Control over Financial Reporting. There were no changes in the Company's internal controls over financial reporting, known to the chief executive officer or the chief financial officer, that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 8B. Other Information

There are no further disclosures. All information that was required to be disclosed in a Form 8-K during the fourth quarter, 2004 has been disclosed.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance With Section 16(a) of the Exchange Act.

The following table sets forth the name, age, position and office term of each executive officer and director of the Company.

Name	Age	Positions	Since
Bradley S. Shepherd	44	Director, President, Secretary/Treasurer	February 1993

All directors serve until the next annual stockholders meeting or until their successors are duly elected and qualified. All officers serve at the discretion of the Board of Directors.

The Company has no audit committee financial expert, as defined under Section 228.401, serving on its audit committee because it has no audit committee and is not required to have an audit committee because it is not a listed security as defined in Section 240.10A-3.

Set forth below is certain biographical information regarding our executive officer and director:

Bradley S. Shepherd, Director, President, Secretary/Treasurer. Mr. Shepherd is the owner and manager of Shepherd's Allstar Lanes, Inc., a bowling center, restaurant, and lounge located in West Jordan, Utah. After managing the business for three years, Mr. Shepherd purchased the business in June of 1993. Mr. Shepherd also manages and is trustee for the Roger L. Shepherd Family Trust, which owns and leases commercial office and warehouse buildings and residential properties in the Salt Lake City area.

Other Reporting Company Activities. Bradley S. Shepherd is currently an officer and director of Patriot Investment Corporation, a reporting company, which is seeking to acquire a business opportunity. The possibility exists that Mr. Shepherd could become an officer and/or director of other reporting companies in the future, although he has no intention of doing so at the present time. Certain conflicts of interest are inherent in the participation of our sole officer and director as management in other reporting companies, which may be difficult, if not impossible, to resolve in all cases in our best interests. Failure by management to conduct Siclone's business in its best interests may result in liability of management to our shareholders.

Item 10. Executive Compensation

Our officers and directors do not receive any compensation for services rendered, have not received such compensation in the past, and are not accruing any compensation pursuant to any agreement with Siclone. Our officers and directors will not receive any finder's fee as a result of their efforts to implement the business plan outlined herein. However, our officers and directors anticipate receiving benefits as beneficial shareholders of our common stock.

We have not adopted any retirement, pension, profit sharing, stock options, insurance programs or other similar programs for the benefit of our employees.

Employment Contracts and Termination of Employment and Change in Control Arrangement.

There are no compensatory plans or arrangements with respect to any officer, director, manager or other executive which would in any way result in payments to any such person because of his resignation, retirement, or other termination of employment with Siclone or its subsidiaries, or any change in control of the Company, or a change in the person's responsibilities following a change of control of the Company.

Item 11. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth as of December 31, 2004, the number and percentage of the 23,810,000 shares of outstanding common stock which, according to the information supplied to the Company, were beneficially owned by (i) each person who is currently a director, (ii) each executive officer, (iii) all current directors and executive officers as a group and (iv) each person who, to our knowledge, is the beneficial owner of more than 5% of the outstanding common stock. Except as otherwise indicated, the persons named in the table have sole voting and dispositive power with respect to all shares beneficially owned, subject to community property laws where applicable.

Name and Address	Amount	Percentage
Bradley S. Shepherd (1) 6269 Jamestown Court Salt Lake City, UT 84121	12,000,000	50.40
Officers, Directors and Nominees as a Group: 1 person	12,000,000	50.40

(1) Officer and director.

Item 12. Certain Relationships and Related Transactions.

Our president, Mr. Brad Shepherd allows us to use office space at his residence at no charge to the Company.

During 2001, Mr. Shepherd advanced \$5,512 to cover our operating expenses.

During 2002, Mr. Shepherd advanced \$6,000 to cover our operating expenses.

During 2003, Mr. Shepherd advanced \$5,500 to cover our operating expenses.

During 2004, Mr. Shepherd advanced \$11,500 to cover our operating expenses.

Through December 31, 2004 our president has advanced a total of \$38,712 to cover our operating expenses. Interest has been imputed at 10%. Accrued interest at December 31, 2004 was \$3,021. The advances and accrued interest are payable on demand.

Item 13. Exhibits and Reports on Form 8-K.

(a) Exhibits:

Exhibit Number	Title	Location
3(i)	Articles of Incorporation	*
3(ii)	Bylaws	*
14	Code of Ethics	**
31	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Attached
32	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002***	Attached

* Incorporated by reference. Filed as exhibit to Form 10SB12G filed April 19, 1999.

**Incorporated by reference. Filed as exhibit to Form 10-KSB filed March 28, 2003.

***The Exhibit attached to this Form 10-KSB shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to liability under that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended December 31, 2004.

Item 14. Principal Accountant Fees and Services

Audit Fee

The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal account for the audit of Siclone Industry Inc.'s annual financial statement and review of financial statements included in Siclone Industry Inc.'s 10-QSB reports and services normally provided by the accountant in connection with statutory and regulatory filings or engagements were \$3,675.00 for fiscal year ended 2004 and \$4,442.50 for fiscal year ended 2003.

Audit-Related Fees

There were no fees for other audit related services for fiscal year ended 2004 or 2003.

Tax Fees

There were no fees for tax compliance, tax advice and tax planning for the fiscal years 2004 and 2003.

All Other Fees

There were no other aggregate fees billed in either of the last two fiscal years for products and services provided by the principal accountant, other than the services reported above.

We do not have an audit committee currently serving and as a result our board of directors performs the duties of an audit committee. Our board of directors will evaluate and approve in advance, the scope and cost of the engagement of an auditor before the auditor renders audit and non-audit services. We do not rely on pre-approval policies and procedures.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SICLONE INDUSTRIES, INC.

Date: March 29, 2005

/s/ Bradley S. Shepherd
Chief Executive Officer and
Chief Financial Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 29, 2005

/s/ Bradley S. Shepherd
Director

SICLONE INDUSTRIES, INC.
(A Development Stage Company)

Financial Statements

December 31, 2004

CONTENTS

Independent Auditors' Report	14
Balance Sheet	15
Statements of Operations	16
Statements of Stockholders' Equity (Deficit)	17
Statements of Cash Flows	21
Notes to the Financial Statements	22

INDEPENDENT AUDITORS' REPORT

Board of Directors
Siclone Industries, Inc.
(A Development Stage Company)
Salt Lake City, Utah

We have audited the accompanying balance sheet of Siclone Industries, Inc. (a development stage company) as of December 31, 2004 and the related statements of operations, stockholders' equity (deficit) and cash flows for the years ended December 31, 2004 and 2003 and from inception on November 1, 1985 through December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Siclone Industries, Inc. (a development stage company) as of December 31, 2004 and the results of its operations and its cash flows for the years ended December 31, 2004 and 2003 and from inception on November 1, 1985 through December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered recurring losses from operations and has no operating capital which together raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ HJ & Associates, LLC

HJ & Associates, LLC
Salt Lake City, Utah
March 19, 2004

SICLONE INDUSTRIES, INC.
(A Development Stage Company)
Balance Sheet

ASSETS

December 31,
2004

CURRENT ASSETS

Cash	\$	<u>124</u>
Total Current Assets		<u>124</u>
TOTAL ASSETS	\$	<u>124</u>

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES

Accounts payable trade	\$	840
Accounts payable - related party (Note 2)		33,212
Accrued interest - related party (Note 2)		<u>7,339</u>
Total Current Liabilities		<u>41,391</u>

STOCKHOLDERS' EQUITY (DEFICIT)

Preferred stock: 5,000,000 shares authorized at \$0.001 par value; -0- shares issued and outstanding		-
Common stock: 30,000,000 shares authorized at \$0.001 par value; 23,810,000 shares issued and outstanding		23,810
Additional paid-in capital		583,693
Deficit accumulated during the development stage		<u>(648,770)</u>
Total Stockholders' Equity (Deficit)		<u>(41,267)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$	<u>124</u>

The accompanying notes are an integral part of these financial statements

SICLONE INDUSTRIES, INC.
(A Development Stage Company)
Statements of Operations

	For the Years Ended December 31,		From Inception on November 1, 1985 through December 31, 2004
	<u>2004</u>	<u>2003</u>	<u>2004</u>
REVENUES	\$ -	\$ -	\$ -
EXPENSES	(10,089)	(7,804)	(53,267)
LOSS FROM DISCONTINUED OPERATIONS	<u>-</u>	<u>-</u>	<u>(595,503)</u>
NET LOSS	\$ <u>(10,089)</u>	\$ <u>(7,804)</u>	\$ <u>(648,770)</u>
BASIC LOSS PER SHARE (Note 1)	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>23,810,000</u>	<u>23,810,000</u>	

The accompanying notes are an integral part of these financial statements

SICLONE INDUSTRIES, INC.
(A Development Stage Company)
Statements of Stockholders' Equity (Deficit)

	<u>Common Stock</u>		<u>Additional</u>	<u>Deficit</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Accumulated</u>
			<u>Capital</u>	<u>During the</u>
				<u>Development</u>
				<u>Stage</u>
Balance, November 1, 1985	-	\$ -	\$ -	\$ -
Issuance of 500,000 shares of common stock to Officers and Directors for cash on November 1, 1985 at \$0.02 per share	500,000	500	9,500	-
Cancellation of 140,000 shares on February 7, 1986	(140,000)	(140)	140	-
Cancellation of 300,000 shares on October 1, 1986	(300,000)	(300)	300	-
Issuance of 1,000,000 shares of common stock to the public offered March 26, 1986 at \$0.10 per share	1,000,000	1,000	99,000	-
Deferred offering costs offset against additional paid-in capital	-	-	(18,678)	-
Issuance of 10,700,000 shares of common stock October 10, 1986 at \$0.05 per share	10,700,000	10,700	483,251	-
Issuance of 50,000 shares for promotional services at \$0.001 per share	50,000	50	-	-
Accumulated losses from formation on November 1, 1985 through December 31, 1987	-	-	-	(502,196)
Balance, December 31, 1987	<u>11,810,000</u>	<u>\$ 11,810</u>	<u>\$ 573,513</u>	<u>\$ (502,196)</u>

The accompanying notes are an integral part of these financial statements

SICLONE INDUSTRIES, INC.
(A Development Stage Company)
Statements of Stockholders' Equity (Deficit) (Continued)

	<u>Common Stock</u> <u>Shares</u>	<u>Amount</u>	<u>Additional</u> <u>Paid-in</u> <u>Capital</u>	<u>Deficit</u> <u>Accumulated</u> <u>During the</u> <u>Development</u> <u>Stage</u>
Balance, December 31, 1987	11,810,000	\$ 11,810	\$ 573,513	\$ (502,196)
Net loss for the year ended December 31, 1988	-	-	-	(92,783)
Balance, December 31, 1988	11,810,000	11,810	573,513	(594,979)
Cash contributed to additional paid-in capital	-	-	10,180	-
Net loss for the year ended December 31, 1989	-	-	-	(524)
Balance, December 31, 1989	11,810,000	11,810	583,693	(595,503)
Net loss for the year ended December 31, 1990	-	-	-	-
Balance, December 31, 1990	11,810,000	11,810	583,693	(595,503)
Net loss for the year ended December 31, 1991	-	-	-	(758)
Balance, December 31, 1991	<u>11,810,000</u>	<u>\$ 11,810</u>	<u>\$ 583,693</u>	<u>\$ (596,261)</u>

The accompanying notes are an integral part of these financial statements

SICLONE INDUSTRIES, INC.
(A Development Stage Company)
Statements of Stockholders' Equity (Deficit) (Continued)

	<u>Common Stock</u>		Additional Paid-in Capital	Deficit Accumulated During the Development Stage
	<u>Shares</u>	<u>Amount</u>		
Balance, December 31, 1991	11,810,000	\$ 11,810	\$ 583,693	\$ (596,261)
Net loss for the year ended December 31, 1992	<u>-</u>	<u>-</u>	<u>-</u>	<u>(651)</u>
Balance, December 31, 1992	11,810,000	11,810	583,693	(596,912)
Issuance of 1,000,000 shares of common stock to officer for cash June 7, 1993 at \$0.001 per share	1,000,000	1,000	-	-
Net loss for the year ended December 31, 1993	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,513)</u>
Balance, December 31, 1993	12,810,000	12,810	583,693	(599,425)
Net loss for the year ended December 31, 1994	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 1994	12,810,000	12,810	583,693	(599,425)
Issuance of 11,000,000 shares of common stock to officer for cash at \$0.001 per share	11,000,000	11,000	-	-
Net loss for the year ended December 31, 1995	<u>-</u>	<u>-</u>	<u>-</u>	<u>(438)</u>
Balance, December 31, 1995	23,810,000	23,810	583,693	(599,863)
Net loss for the year ended December 31, 1996	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,256)</u>
Balance, December 31, 1996	23,810,000	23,810	583,693	(601,119)
Net loss for the year ended December 31, 1997	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,373)</u>
Balance, December 31, 1997	<u>23,810,000</u>	<u>\$ 23,810</u>	<u>\$ 583,693</u>	<u>\$ (602,492)</u>

The accompanying notes are an integral part of these financial statements

SICLONE INDUSTRIES, INC.
(A Development Stage Company)
Statements of Stockholders' Equity (Deficit) (Continued)

	<u>Common Stock</u>		<u>Additional</u>	<u>Deficit</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Accumulated</u>
			<u>Capital</u>	<u>During the</u>
				<u>Development</u>
				<u>Stage</u>
Balance, December 31, 1997	23,810,000	\$ 23,810	\$ 583,693	\$ (602,492)
Net loss for the year ended December 31, 1998	-	-	-	(770)
Balance, December 31, 1998	23,810,000	23,810	583,693	(603,262)
Net loss for the year ended December 31, 1999	-	-	-	(9,343)
Balance, December 31, 1999	23,810,000	23,810	583,693	(612,605)
Net loss for the year ended December 31, 2000	-	-	-	(5,451)
Balance, December 31, 2000	23,810,000	23,810	583,693	(618,056)
Net loss for the year ended December 31, 2001	-	-	-	(4,959)
Balance, December 31, 2001	23,810,000	23,810	583,693	(623,015)
Net loss for the year ended December 31, 2002	-	-	-	(7,862)
Balance, December 31, 2002	23,810,000	23,810	583,693	(630,877)
Net loss for the year ended December 31, 2003	-	-	-	(7,804)
Balance, December 31, 2003	23,810,000	23,810	583,693	(638,681)
Net loss for the year ended December 31, 2004	-	-	-	(10,089)
Balance, December 31, 2004	<u>23,810,000</u>	<u>\$ 23,810</u>	<u>\$ 583,693</u>	<u>\$ (648,770)</u>

The accompanying notes are an integral part of these financial statements

SICLONE INDUSTRIES, INC.
(A Development Stage Company)
Statements of Cash Flows

	For the Years Ended December 31,		From Inception on November 1, 1985 through December 31,
	<u>2004</u>	<u>2003</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (10,089)	\$ (7,804)	\$ (648,785)
Adjustments to reconcile net loss to net cash used by operating activities:			
Common stock issued for services	-	-	50
Changes in operating assets and liabilities:			
Increase (decrease) in accounts payable	6,840	(147)	-
Increase in accrued interest related party	<u>3,021</u>	<u>1,871</u>	<u>4,317</u>
Net Cash Used by Operating Activities	<u>(228)</u>	<u>(6,138)</u>	<u>(634,314)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from related parties	-	6,000	27,212
Additional capital contributed	-	-	10,180
Stock offering costs	-	-	(18,677)
Issuance of common stock for cash	<u>-</u>	<u>-</u>	<u>615,951</u>
Net Cash Provided by Financing Activities	<u>-</u>	<u>6,000</u>	<u>634,666</u>
INCREASE (DECREASE) IN CASH	(228)	(138)	352
CASH AT BEGINNING OF PERIOD	<u>352</u>	<u>347</u>	<u>-</u>
CASH AT END OF PERIOD	\$ <u>124</u>	\$ <u>209</u>	\$ <u>352</u>
CASH PAID FOR			
Interest	\$ -	\$ -	\$ -
Income taxes	\$ -	\$ -	\$ -
SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING ACTIVITIES:			
Common stock issued for services	\$ -	\$ -	\$ 50

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

SICLONE INDUSTRIES, INC.
(A Development Stage Company)
Notes to the Financial Statements
December 31, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

The Company was incorporated in the State of Delaware on November 1, 1985 under the name McKinnely Investments, Inc. In November 1986, the Company changed its name to Acculine Industries, Incorporated and in May 1988 to Siclone Industries, Inc.

The Company was incorporated for the purpose of providing a vehicle, which could be used to raise capital and seek business opportunities.

b. Accounting Method

The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a calendar year end.

c. Cash and Cash Equivalents

Cash equivalents include short-term, highly liquid investments with maturities of three months or less at the time of acquisition.

d. Basic Loss Per Share

The computations of basic loss per share of common stock are based on the weighted average number of shares outstanding during the period.

the Year Ended

December 31, 2004		
Loss (Numerator)	Shares (Denominator)	Per Share Amount
\$(10,089)	23,810,000	\$(0.00)
For the Year Ended December 31, 2003		
Loss (Numerator)	Shares (Denominator)	Per Share Amount
\$(7,804)	23,810,000	\$(0.00)

SICLONE INDUSTRIES, INC.
(A Development Stage Company)
Notes to the Financial Statements
December 31, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Provision for Taxes

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

assets consist of the following components as of December 31, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Deferred tax assets:		
NOL carryover	\$ 47,355	\$ 45,360
Accrued expenses	2,860	955
Deferred tax liabilities:	-	-
Valuation allowance	<u>(50,215)</u>	<u>(46,315)</u>
Net deferred tax asset	\$ _____	\$ _____

The income tax provision differs from the amount of income tax determined by applying the U.S. federal and state income tax rates of 39% to pretax income from continuing operations for the years ended December 31, 2004 and 2003 due to the following:

	<u>2004</u>	<u>2003</u>
Book income	\$ (3,940)	\$ (3,080)
Other	40	40
Valuation allowance	<u>3,900</u>	<u>3,040</u>
	\$ _____	\$ _____

At December 31, 2004, the Company had net operating loss carryforwards of approximately \$121,000 that may be offset against future taxable income from the year 2004 through 2024. No tax benefit has been reported in the December 31, 2004 financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carryforwards may be limited as to use in future years.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

g. Newly Issued Accounting Pronouncements

The Company adopted the provisions of FASB Statement No. 143, "Accounting for Asset Retirement Obligations," FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," FASB Statement No. 145, "Rescission of FASB Statements No. 4, 44, and 62, Amendment of FASB Statement No. 13, and Technical Corrections," FASB Statement No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," FIN 44, "Accounting for Certain Transactions Involving Stock Compensation (an interpretation of APB Opinion No. 25)," FASB Statement No. 147, "Acquisitions of Certain Financial Institutions – an amendment of FASB Statements No. 72 and 144 and FASB Interpretation No. 9," and FASB Statement No. 148, "Accounting for stock-based compensation – transition and disclosure- an amendment of FASB Statement No. 123." The effect of these adopted provisions on the Company's financial statements was not significant.

In April 2003, the FASB issued Statement No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS 149 is effective for contracts entered into or modified and for hedging activities designated after June 30, 2003. The Company is currently reviewing SFAS 149.

In May 2003, the FASB issued Statement No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003, and is otherwise effective at the beginning of the first interim period beginning after June 15, 2003.

This statement establishes standards for how an issuer classifies and measures in its statement of financial position certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances) because that financial instrument embodies an obligation of the issuer. The adoption of this new accounting standard had no material effect on the Company's consolidated financial statements.

SICLONE INDUSTRIES, INC.
(A Development Stage Company)
Notes to the Financial Statements
December 31, 2004 and 2003

NOTE 2 - RELATED PARTY TRANSACTIONS

During 1993, the Company's president purchased 1,000,000 shares of common stock for \$1,000. During 1995, the Company's president purchased an additional 11,000,000 shares of common stock for \$11,000.

During 1999, the Company's president lent \$5,000 to cover operating expenses.
During 2000, the Company's president lent \$5,200 to cover operating expenses.
During 2001, the Company's president lent \$5,512 to cover operating expenses.
During 2002, the Company's president lent \$6,000 to cover operating expenses.
During 2003, the Company's president lent \$5,500 to cover operating expenses.
During 2004, the Company's president lent \$11,500 to cover operating expenses.

Interest has been imputed at 10%. The Company has accrued \$3,021 of interest for the year ended December 31, 2004. The amounts are due on demand. During the years ended December 31, 2004 and 2003 various services were contributed to the Company by its President. The aggregate value of these contributed services was determined to be immaterial to the financial statements.

NOTE 3 - GOING CONCERN

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company has little cash and has experienced losses from inception. Without realization of additional adequate financing, it would be unlikely for the Company to pursue and realize its objectives. The Company intends to seek a merger with an existing operating company. In the interim, an officer of the Company has committed to meeting its operating expenses.

**Certification Pursuant to pursuant to Rule 13a-14(a) or Rule 15d-14(a)
of the Securities Exchange Act of 1934, as amended**

I, Bradley S Shepherd Chief Executive Officer and Chief Financial Officer of Siclone Industries, Inc. (the "Company"), certify that:

1. I have reviewed this annual report on Form 10-KSB of the Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. As the registrant's certifying officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and I have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. As the registrant's certifying officer, I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 29, 2005

/s/Bradley S. Shepherd
Chief Executive Officer and
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Siclone Industries, Inc. a Nevada corporation (the "Company"), on Form 10-KSB for the annual period ending December 31, 2004 as filed with the Securities and Exchange Commission (the "Report"), I, Bradley S. Shepherd, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350), that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 29, 2005

/s/Bradley S. Shepherd
Chief Executive Officer and
Chief Financial Officer