

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-KSB

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the fiscal year ended December 31, 2007

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from -----

Commission file number: 333-131722

PAWFECT FOODS, INC.

(Exact name of small business issuer as specified in its charter)

FLORIDA

(State or other jurisdiction of incorporation or organization)

20-3823853

(IRS Employer Identification No.)

31-51 STEINWAY STREET, LONG ISLAND CITY, NEW YORK 11103

(Address of principal executive offices) (Zip Code)

(718) 545-6406

(Issuer's telephone number)

(Former name, former address and former fiscal year,
if changed since last report)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: (None)

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: (None)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Check if there is no disclosure of delinquent filers pursuant to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes No

State issuer's revenues for its most recent fiscal year. \$0.00

The market value of the common stock held by non-affiliates cannot be estimated since there is no market for the company's shares.

There were 2,181,000 shares of common stock outstanding as of February 29, 2008.

DOCUMENTS INCORPORATED BY REFERENCE: None.

Transitional Small Business Disclosure Format (check one): Yes No

INTRODUCTORY NOTE

This Annual Report on Form 10-KSB may be deemed to contain 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. The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties set forth under "Risk Factors." Accordingly, to the extent that this Annual Report contains forward-looking statements regarding possible acquisitions, financial condition, operating results, business prospects or any other aspect of the Company, please be advised that the Company's actual financial condition, operating results and business performance may differ materially from that projected or estimated by the

Company in forward-looking statements.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

THE COMPANY

We were incorporated in the State of Florida on November 15, 2005.

Our offices are located at 31-51 Steinway Street, Long Island City, New York. Our telephone number is (718) 545-6406.

Our annual report on Form 10-KSB, quarterly reports on Form 10-QSB, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 15(d) of the Securities Exchange Act of 1934, as amended are filed with the Securities and Exchange Commission may be inspected and copied at the public reference facilities of the Commission at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information regarding the operation of the public reference room by calling the Commission at 1-800-SEC-0330. In addition, the Commission maintains a web site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the Commission at <http://www.sec.gov>.

Our Internet address is www.pawfectfoods.com. Information contained on our website does not constitute a part of this report.

CHANGE OF CONTROL

On July 16, 2007, Charles Monahan, our former President, Treasurer, Secretary and principal shareholder entered into a Capital Stock Purchase Agreement (the "Stock Purchase Agreement") with Biotech Initiative of Chelsea, Ltd., a private investment fund based in London, England. All conditions to the closing were fulfilled and funds released to Mr. Monahan on July 17, 2007.

Under the Stock Purchase Agreement:

- o Biotech Initiative purchased an aggregate of 2,000,000 restricted shares of our common stock from Mr. Monahan for approximately \$624,000
- o Mr. Monahan resigned as an officer and director of the Company.

Biotech Initiative, acting in its capacity as our principal shareholder, appointed Pietro Gattini to serve as sole director, filling the vacancy created by the resignation of Mr. Monahan. Mr. Gattini also became our President, Secretary and Treasurer.

The 2,000,000 shares represent approximately 89% of our outstanding shares. The source of funds for Biotech Initiative's purchase was from its own capital resources and no funds were borrowed.

We filed a Form 8-K Report reporting this transaction on July 20, 2007.

PLAN OF OPERATION

We are marketing and plan to sell pet food via the internet utilizing our website, www.Pawfectfoods.com. We posted our nearly completed e-commerce website in 2006, to introduce ourselves to potential customers with a modest array of introductory products. We are offering targeted products on our website for immediate purchase and process credit cards payments through a merchant account at Authorize.net. In 2007, we temporarily suspended credit card processing while gauging consumer demand and developing reliable sources of supply. This processing arrangement was restored by new management following the change of control described above. In addition to offering a modest array of products, we have added tips and information that will enhance the knowledge of our potential customers in the first half of 2007. However, currently we have not realized any revenue.

During the next twelve months we plan to satisfy our cash requirements with current cash on hand, loans from our principal shareholder and possibly the private placement of our securities. There is no assurance that such funds will be available and there are no present agreements or commitments from anyone concerning a private placement.

Mr. Gattini has reactivated our credit card processing capability, has engaged in some limited marketing and continues to evaluate our current business plan, prospectus and financial requirements. He may also consider the acquisition of one or more companies in either related fields of endeavor unrelated activities for potential acquisitions or merger. There are no agreements or understandings regarding any such acquisitions. If we enter into any such agreement we will promptly disclose the terms of the agreement and other information concerning the company by filing a Report on Form 8-K, including a copy of the agreement as an exhibit. Such an acquisition will require the issuance of a substantial number of shares of our common stock and financing.

We currently maintain a trial website that offers a modest supply of pet foods to individual retail customers, which was developed by prior management at minimal cost. In addition to offering a modest array of products, the site includes tips and information that we may acquire from the pet food manufacturers of the products we offer. We intend to sell advertising banners to manufacturers and retailers of pet clothing, but since the trial website has had limited traffic we have not made any efforts to sell banners thus far. We plan to utilize just-in-time inventory (JIT) or direct shipping of the products we offer for sale on our website. We are currently reviewing the viability of the website and relationships with manufacturers necessary to enable consumers to view and purchase our products as quickly and efficiently as possible. There are no formal agreements with manufacturers and there can be no assurance that we will be able to develop operations in this area, or any other area.

PRINCIPAL PRODUCTS AND SERVICES

Our trial website is under the registered domain name Pawfectfoods.com which is hosted at a cost of \$419.40 per year. We believe that this will enable our e-commerce site to provide enough capacity to list a modest amount of products and facilitate online transactions. This service can be cancelled or upgraded at any time. Since we will rely on a third party as our Internet Service Provider to host our site we may experience interruptions in our website connection and our telecommunications access due to our reliance upon third parties. We anticipate that we will use software that is dependent on operating systems, database and server software developed and produced by and licensed by third parties.

Our initial plan was to develop our site to permit website visitors to do the following:

- o Conveniently view and purchase pet food 24 hours a day 7 days a week.
- o View tips and information that we intend to offer daily and customers will be able to search through an archive of tips and information as it builds.
- o Cross-geographical limitations by the ability to access our website worldwide to those visitors viewing our website in English, since we do not expect to offer our website in different languages and we do not expect to convert our website to any other language nor extend any special customer service to these countries. Most popular search engines such as www.Google.com can be accessed worldwide, and in turn consumers may click on our website from other countries located in or near the United States, such as the Caribbean Islands or as far as Europe. Some of these countries outside the United States may not have the abundance of readily available pet food. Therefore, we hope to provide our services to those countries that may be actively seeking pet food from the United States. We have not conducted any research to support this and its management assumption that this may hopefully be the case.
- o Post banners ads for pet groomers and those who sell pet clothing, and for other interested third parties.
- o View information about the products in a more detailed and informative manner.

Our management is evaluating the response to the trial site and limited marketing efforts and will determine whether the pet food and website advertising businesses are viable or the company should pursue other activities, either by development or acquisition.

The trial website offers consumers a modest array of pet food at retail prices. The product offering emphasizes premium dog and cat food as well as treats, which are not available in supermarkets, warehouse clubs or mass merchandisers. Our two major brands are Merrick Pet Care Ltd. and The Honest Kitchen.

We have not developed criteria for pricing of the advertising space; however, we anticipate pricing will be based upon advertisement size, web page placement, content requirements, contract duration, the traffic generated by our website and other factors.

DISTRIBUTION

We plan to deliver our services through our website. We will be purchasing our products either directly from manufactures or through wholesalers. With either supplier we expect to utilize either a minimal amount of inventory or a just in time (JIT) inventory method and utilize third party shippers such as USPS, UPS and FedEx. Furthermore, when available we expect to have our suppliers direct ship.

PRODUCTS

We emphasize premium dog and cat food and treats, which are not available in supermarkets, warehouse clubs or mass merchandisers. Our trial website offers two major brands: Merrick Pet Care Ltd. and The Honest Kitchen.

o MERRICK PET CARE LTD.

Merrick Pet Care Ltd. offers holistic can entrees. These meals combine human grade ingredients from the protein sources that Merrick uses as the number one ingredient to the fresh vegetables and fruits that we add to all of these special dishes.

o THE HONEST KITCHEN BRAND FOODS

All of our Honest Kitchen brand dog food and dehydrated raw dog food products are formulated to meet the AAFCO nutrient profiles for dogs and you don't have to add anything to make them 'complete'. However, the original idea behind these diets was as a base for a raw or other home made

diet and to facilitate that, they are somewhat 'lite' in terms of fat and protein, so that your own choice of raw, or cooked, meat can be added, if desired.

COMPETITION

The conventional method of purchasing and selling pet food for at least the past fifty years has been through person-to-person meeting or brick and mortar type retail stores. The public has been reticent to new vehicles or formats through which they would purchase and sell pet food. Competition among online retailers has increased as a result of the attractive commercial medium provided by the Internet and the relatively low barriers to enter this market. Therefore, we believe the success of online retailers will depend on their ability to develop brand awareness, offer competitive prices on a broad selection of products, and provide compelling content and superior customer service.

Despite the convenience of the services offered over the Internet or prospectively over the anticipated completion of our website, many consumers will view conventional methods of obtaining pet food more convenient and offering better customer service.

We are likely to encounter intense competition from other internet based pet food suppliers and traditional sources of retail pet foods. Most, if not all of such competitors have greater financial, marketing and other resources than our limited resources.

GOVERNMENT REGULATION

We are not currently subject to direct federal, state or local regulation other than regulations applicable to businesses generally or directly applicable to retailing or electronic commerce. We do not currently provide individual personal information regarding our users to third parties and we currently do not identify registered users by age, nor do we expect to do so in the foreseeable future. The adoption of additional privacy or consumer protection laws could create uncertainty in Web usage and reduce the demand for our products and services or require us to redesign our web site.

Moreover, the interpretation of sales tax, libel and personal privacy laws applied to Internet commerce is uncertain and unresolved. We may be required to qualify to do business as a foreign corporation in each such state or foreign country. Our failure to qualify as a foreign corporation in a jurisdiction where we are required to do so could subject us to taxes and penalties.

In addition to regulations applicable to businesses generally, we are regulated by federal, state or local governmental agencies with respect to the shipment of pet food and pet products. We rely upon our suppliers to meet the various regulatory and other legal requirements applicable to products supplied by them to us. However, we cannot guarantee that such suppliers have in the past, or will in the future, always do so, or that their actions will be adequate or sufficient to satisfy all governmental requirements that may be applicable to these sales. We would be fined or exposed to civil or criminal liability, and we could receive potential negative publicity, if these requirements were not to be fully met by suppliers or by us directly.

EMPLOYEES

As of December 31, 2007 and the filing of this report, our only employee is Pietro Gattini, our sole director and officer, who serves on a part-time basis.

RISK FACTORS

Since our plan to develop an on-line market for natural pet food and supplies has not resulted in any revenue and we may explore acquisition opportunities, there are many risks and uncertainties that could adversely impact our financial position or results of operations. The following highlights some of these risks but is not a complete statement of the risk of our business.

WE ARE A DEVELOPMENT STAGE COMPANY AND MAY NOT GENERATE ENOUGH REVENUES TO STAY IN BUSINESS.

Because we are in the developmental stage an investor cannot determine if we will ever be profitable. We will experience financial difficulties during our operational development and beyond. We may be unable to operate profitably, even if we develop operations and generate revenues. We plan to generate revenues from the sales of pet food and advertising through our website, but there can be no assurance that our revenues will exceed our costs. We have no revenues and significant costs to maintain the website and market our products. We cannot assure that we will obtain the necessary working capital to continue developing and market our e-commerce website. Furthermore, we cannot assure that our website will receive enough Internet traffic or purchases to generate revenues or achieve profitability.

IF CONSUMERS DO NOT ACCEPT AN ON-LINE MARKETPLACE FOR PET FOOD VIA THE INTERNET, WE WILL NOT GENERATE REVENUE TO OPERATE.

Our success depends upon the general acceptance of an on-line marketplace for pet food by consumers. If customers do not embrace an online marketplace for pet food, we will be unable to generate revenue. The market for an electronic marketplace for pet food, particularly over the Internet, is in its early stages of development, but is evolving rapidly. We cannot assure that a sufficiently broad base of consumers and businesses will adopt, and continue to use, the Internet to obtain pet food, traditionally provided in person-to-person transactions. We believe that acceptance of an online marketplace for pet food via the internet will depend on the following factors, among others:

- o The growth of the Internet as a medium for commerce generally, and as a market for pet food products and services in particular
- o Development of the necessary Internet network infrastructure to support new technologies and handle the demands placed upon us by our visitors
- o Government regulation of the Internet towards the dissemination of pet food and related information
- o A change in the perception among many consumers that an online marketplace is less dependable than obtaining pet food through more traditional methods

NO EXISTING MARKET

Quotations for our common stock can be found on the Over The Counter Bulletin Board under the symbol "PWFF.OB" and our stock has not traded. Except for the OTC Bulletin Board, there is no existing trading market for our securities. Accordingly, there can be no assurance as to the liquidity of any markets that may develop for the securities, the ability of holders of the securities to sell their securities, or the prices at which holders may be able to sell their securities.

THE MARKET PRICE OF OUR COMMON STOCK MAY BE ADVERSELY AFFECTED BY SEVERAL FACTORS.

The market price of our common stock, if a market develops, could fluctuate significantly in response to various factors and events, including:

- o our ability to develop or integrate operations, technology, products and services;
- o ability of a potential acquisition to execute their business plan;
- o operating results below expectations;
- o announcements of technological innovations or new products by us or our competitors;
- o loss of any strategic relationship;
- o industry developments;
- o economic and other external factors; and
- o period-to-period fluctuations in our financial results.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

PURCHASE OF PENNY STOCKS CAN BE RISKY AND THESE SECURITIES WILL BE MORE DIFFICULT TO SELL EVEN IF A MARKET DEVELOPS.

In the event that a public market develops for our securities, such securities may be classified as a penny stock depending upon their market price and the manner in which they are traded. The Securities and Exchange Commission has adopted Rule 15c-9 which establishes the definition of a "penny stock," for purposes relevant to us, as any equity security that has a market price of less than \$5.00 per share or with an exercise price of less than \$5.00 per share whose securities are admitted to quotation but do not trade on the Nasdaq Small Cap Market or on a national securities exchange.

For any transaction involving a penny stock, unless exempt, the rules require delivery by the broker of a document to investors stating the risks of investment in penny stocks, the possible lack of liquidity, commissions to be paid, current quotation and investors' rights and remedies, a special suitability inquiry, regular reporting to the investor and other requirements. Prices for penny stocks are often not available and investors are often unable to sell such stock. Thus an investor may lose his investment in a penny stock and consequently should be cautious of any purchase of penny stocks.

WE WILL REQUIRE ADDITIONAL FUNDING TO EXECUTE OUR BUSINESS PLAN OR A BUSINESS STRATEGY OF ANY COMPANY WE MAY ACQUIRE. IF FUNDING IS NOT AVAILABLE OR NOT AVAILABLE ON ACCEPTABLE TERMS, WE MAY BE REQUIRED TO CURTAIL OUR ACTIVITIES.

We will require substantial additional funds to fund the development of a business. Our future capital requirements will depend on many factors. There can be no assurance that additional financing will be available, or, if available, that such additional financing will be available on terms acceptable to us. If additional funds are raised by issuing debt, we will incur fixed payment obligations, which could delay the time, if any, when we may achieve profitability. If adequate funds are not available, we may be required to delay, scale back or eliminate any business plans.

ITEM 2. DESCRIPTION OF PROPERTY

Our principal executive and administrative office is located at 31-51 Steinway Street, Long Island City, New York. The office consists of approximately 70 square feet of office space and is leased on a month-to-month basis from

Steinway Group, LLC. for approximately \$2,400 per annum payable in equal monthly installments. Mr. Gattini is the Managing Member of Steinway Group, LLC with a 78% ownership interest. Pursuant to the lease agreement, rent will accrue from September 1, 2007 and is payable upon the termination of the lease. The space is sufficient for our current requirements and our expected requirements for the year ending December 31, 2008.

ITEM 3. LEGAL PROCEEDINGS

We are not aware of any pending or threatened legal proceedings, which involve Pawfect Foods, Inc.

PART II

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to security holders during the three months ended December 31, 2007.

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

Our securities do not currently, and have not in the past, traded on any public market. Thus, there is currently no market for our securities and there can be no assurance that a trading market will develop or, if one develops, that it will continue. The shares of common stock are quoted in the NASD's OTC Bulletin Board under the symbol "PWFF.OB"

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

There are no securities authorized for issuance under equity compensation plans.

STOCK OPTIONS AND SHARE PURCHASE WARRANTS

There are no stock options or share purchase warrants to purchase our securities outstanding.

NUMBER OF SHAREHOLDERS

The number of shareholders of record of our Common Stock as of the close of business on February 29, 2008 was 15.

DIVIDEND POLICY

To date, we have declared no cash dividends on our Common Stock, and we do not expect to pay cash dividends in the near term. We intend to retain future earnings, if any, to provide funds for operation of our business.

RECENT SALES OF UNREGISTERED SECURITIES

We did not sell any securities during the year ending December 31, 2007.

PURCHASES OF EQUITY SECURITIES BY THE COMPANY AND AFFILIATED PURCHASERS

We did not purchase any of our shares of common stock or other securities during the year ended December 31, 2007.

ITEM 6. MANAGEMENT DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Pawfect Foods is a development stage company and has no operations to date. The Pawfect Foods, Inc.'s business plan is to become actively engaged in providing an online marketplace for pet food, via the Internet. Currently we have obtained a domain name called www.Pawfectfoods.com. We have also obtained a web hosting provider, to provide us with the necessary disk space capacity for our website and email capability for the next 12 months. We have also posted our e-commerce website, to introduce ourselves to potential customers.

During the next twelve months we plan to satisfy our cash requirement by current cash on hand.

Our strategic business plan contains a 4 stage operating strategy for the next twelve months.

MILESTONES TO BE FUNDED WITH AVAILABLE FUNDS

| MILESTONE | STAGE ONE TIME NEEDED | FUNDS NEEDED |
|--------------------------------------|----------------------------|-----------------|
| Web Host | completed | Paid |
| Credit Card Processing | completed | \$34.95 monthly |
| Completion of Website | completed | \$0 |
| MILESTONE | STAGE TWO TIME NEEDED | FUNDS NEEDED |
| Manufacturer & Supplier negotiations | 30-45 days | none |
| Marketing | 90-120 days | \$1,000-\$2,000 |
| MILESTONE | STAGE THREE TIME NEEDED | FUNDS NEEDED |
| Hire Tech Consultant | 30-45 days | \$800-\$1,250 |

It is with this plan that will pave the way to allow us to focus on developing

and executing our interactive e commerce website that will offer our visitors 24 hr access to an online marketplace.

The three stages of our strategic plans are as follows:

Firstly, we have currently completed stage one of our business plan and milestone which was to roll-out our website and obtained the necessary web hosting service and posted our website, which contains a modest array of products. Our e commerce website offers our visitors the capability to access our site 24 hrs a day and allow consumers to simply click on the "add to cart" button to add products to their virtual shopping cart. Consumers will be able to add and subtract products from their shopping cart as they browse around our online store prior to making a final purchase decision, just as in a physical store. Also, as an added benefit we added an email verification of the customers order sent immediately after the order is placed. We then, with the addition of Authorize.net credit card processing we are able to process orders. The site enables someone to search the website, read details about different products and select products by means of filling the online shopping cart for purchasing and email a link to friends of the products that may interest them. Furthermore, it will also allow our visitors the capability of purchasing products, through a secured page within the site to ensure privacy and the integrity of personal information

We will also maintain a sign in book for all those who visit our site, in order to build a database of individuals who indicated an interest in our services. Space will be allotted through all the pages of the website to allow placement of banner ads and links for those companies interesting in purchasing advertisement space on our site.

Our second stage will be focused on establishing a relationship with the manufacturers of pet food of both industry leaders and smaller, new manufacturers. However, initially, we expect to obtain our products through local wholesalers allowing us to utilize a just-in-time inventory by purchasing items as orders come in and immediately ship out and in other cases have the wholesaler directly ship the products for us. In either circumstance, it will allow us not to maintain an inventory of our own, which we hope will keep our operating costs low and pass the savings to our customers. Shipping charges will be estimated on the basis of weight and speed of delivery of each order. We expect to utilize US Postal Service, UPS, and Fedex. Their costs vary and will be directly determined by their prevailing rates.

To date, we have no agreements, nor contracts, with the suppliers of the products we will be offering on our website. However, we have started the preliminary steps in offering the products we intend to sell, by utilizing local wholesale suppliers, in which we plan on using a just-in-time inventory with a cash and carry method of payment and we can begin researching products we wish to sell and update the website accordingly. No contracts, agreements, nor permission are needed in posting these products on our website. In this manner, we hope to offer a modest amount of products on our website for sale immediately.

We intend to contact and negotiate with large manufacturers to offer their products on our website in a bulk type method. We hope to negotiate special deals or packaging, that differentiate from those offered by our competitors, by offering packaged products in bulk or multi-product gift sets, which by our research is not offered by other pet food supply stores. We also intend to contact smaller, recently formed manufacturers to offer their products on a more exclusive basis. We believe that by offering a generic more economical line of products through a smaller manufacturer we can in exchange offer that manufacturer an exclusive opportunity to sell only their brand of a single particular product and pass the savings to the consumer. For example, if we can negotiate the sale of a particular line of dog and cat treats from a small manufacturer with the understanding that we would only sell their treats in hopes to get an advantage of better pricing that we can pass on to the customer. We expect to utilize this type of exclusivity on only a small number of products and to date we have not determined which products to seek out for exclusive sales. This method does not preclude the sale of their products to other companies in the similar business as ours, it will just offer the sale of their products on our website with the advantage of no other competition. We expect to contact and negotiate the necessary packaging and agreements to supply within 30-45 days of this stage. As more products are added and as our customer database expands, we will have to be continually upgrading the website. As additional agreements are made with suppliers, we will up-grade the website. As our customer base increases we will upgrade the database. Both upgrades will be ongoing during the life of our operations.

Also, during this stage, we will be beginning our marketing plan. Our marketing plan contains a 3-step plan.

The first step of our marketing plan is to initiate a comprehensive e mail advertising program targeting those individuals seeking to purchase pet food or have indicated an interest in our type of services.

These individuals would be those who have voluntarily signed up to receive these email messages about specific topics and are more likely to read them, a contact information listing of these individuals can be purchased from most marketing and research firms, however we have not yet contacted any firms who may possess such lists. We will also maintain a sign in book for all those who have visited our site and by the individuals who find our website through a search engine, in order to build a database of individuals who indicated an interest in our services or the services of our members. Response rates are expected to average between 3% to 5%. These efforts will result in company web site visits by these individuals because they have an interest in our products and services and can click through hyperlinks created in our email announcement. Each email message will contain a header that

specifies that the email announcements were sent to the recipient because they had subscribed to a particular service.

We expect to maintain a clean corporate image by practicing "etiquette" when sending email messages. In order to differentiate between email messages that are voluntarily requested and true "spamming" from unwelcome sources, we plan to only send targeted email to those individuals who have voluntarily requested to receive such announcements, and always give the participants the option to remove themselves from the email lists.

We expect this phase to cost an estimated \$250-\$500 for the marketing leads.

The second Phase of the marketing plan is to submit our domain name on free search engines such as: www.excite.com, www.finalsearch.com, www.findlink.com, www.discoverit.com, www.hotbot.com. In an effort to increase traffic to our site, we will add our website address to as many as 1000 search engines. Individuals who visit these search engines when searching for website that contain pet food will then have a choice of many websites to choose from, which may include ours, to satisfy their informational needs when searching for pet food related information on these types of search engines.

This is accomplished by entering meta tags to our website as well as at the time of adding our address to each search engine, which aid the search engine in completing a search of websites that an individual is looking for. Meta Tags are used as part of the codes embedded in a website that describe what your website is, through keywords or phrases, so that search engines can recognize each website and display them in their search engines when a search criteria is done by someone searching for a particular website. These meta tags may include key words or phrases, such as; pet food, holistic pet food, dog and cat treats. These types of free services that the search engines provide can be an invaluable and cost effective way of marketing our products and service. We expect to use a third party to offer a service whereby they will advise as to what meta tags should be used and its placement, as well as the submission of our site to over 1000 search engines. To date, we have not yet identified this third party. We expect this phase to cost an estimated \$200 to \$300.

The third step is to begin an advertising campaign by the use of banner ads on other websites that sell pet clothing and groomers to allow a link of our website to be placed on their website. We have researched that expensing a company's banner ad by the number of hits that are made will be better served.

An average of \$.01 to \$.05 per hit will be charge depending on the size and placement of the ad and also for length of time it's placed. We expect this phase to cost an estimated \$550 to \$1,200. A further breakdown illustrates our estimates:

Our fourth and final stage of our plan takes place at months 6 through 12, where the customers acknowledgement and awareness of our website is forming, through a fully functioning website capable of generating revenue. It is at this phase where we must maintain our site more frequently, as a larger load of products and information is expected to be uploaded to the website. As well as to test and provide up-to-date technology for a smooth delivery of an online marketplace. We will take every step to assure our visitors a pleasurable and informative visit to our site to obtain their consumer loyalty and repeat business. We will construct a customer database to disseminate promotional offers to our customers and discount coupons for repeat customers to entice them to recommend our site to other individuals who express an interest in our services. We expect an estimated cost of \$800 to \$1,250 during this phase to hire a technical web consultant to update and maintain efficiency.

We anticipate that if our e commerce website becomes operational within the above timeline, we will generate revenues from the sale of products offered on the website, and through the sale of advertisements. There is no assurance that we will be successful within the products we offer or advertising on our website. We have no other sources of revenue. As such, if we are not successful in this regard, we will be unable to achieve revenues under our current business plan.

We do not anticipate significant research and development expenses over the next twelve months. We do not expect to purchase or sell any plant and significant equipment or make any significant changes in the number of employees over the next twelve months.

We do not anticipate significant research and development expenses over the next twelve months.

We do not expect to purchase or sell any plant and significant equipment.

We do not expect to make any significant changes in the number of employees over the next twelve months

We expect to use our current location to store any needed inventory and through the use of JIT (just in time inventory) with our suppliers, who can also ship directly to our customers, we can limit the need for additional warehouse space.

ITEM 7. FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

Balance Sheets as of December 31, 2007 And 2006

Statements of Operations for the Years Ended December 31, 2007 and 2006, and

Cumulatively from November 15, 2005 (inception) to December 31, 2007

Statements of Stockholders' Equity (Deficiency) from November 15, 2005 (inception) to December 31, 2007

Statements of Cash Flows for the Years Ended December 31, 2007 and 2006, and Cumulatively from November 15, 2005 (inception) to December 31, 2007

Notes to Financial Statements

BAUM & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
1515 UNIVERSITY DRIVE, SUITE 226
CORAL SPRINGS, FLORIDA 33071

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Pawfect Foods, Inc.
Long Island City, New York

We have audited the accompanying balance sheet of Pawfect Foods, Inc. (A Development Stage Company) as of December 31, 2007 and 2006 and the related statements of operations, stockholders' equity (deficiency) and cash flows for each of the two years in the period then ended and cumulatively for the period from November 15, 2005 (date of inception) to December 31, 2007. 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 audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 Pawfect Foods, Inc. (A Development Stage Company) as of December 31, 2007 and 2006 and the results of operations, stockholder's equity (deficiency) and cash flows for the years then ended and cumulatively for the period commencing November 15, 2005 (date of inception) to December 31, 2007 in conformity with U.S. generally accepted accounting principles.

Baum & Company, P.A.

Coral Springs, Florida
March 25, 2008

PAWFECT FOODS, INC.
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEETS
DECEMBER 31, 2007 AND 2006

<TABLE><CAPTION>

| | ASSETS | |
|--|---|----------|
| | 2007 | 2006 |
| | ----- | ----- |
| <S> | <C> | <C> |
| Current Assets | | |
| Cash | \$ 1,807 | \$ 1,552 |
| | ----- | ----- |
| Total Current Assets | 1,807 | 1,552 |
| Property and Equipment - (net of accumulated depreciation of \$728 and \$56 at December 31, 2007 and 2006, respectively) | 2,658 | 3,330 |
| | ----- | ----- |
| Total Assets | \$ 4,465 | \$ 4,882 |
| | ===== | ===== |
| | LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY) | |
| Current Liabilities | | |
| Accounts payable and accrued expenses | \$ 11,233 | \$ 5,000 |
| Loans payable- related parties | 4,500 | -- |
| | ----- | ----- |
| Total Current Liabilities | 15,733 | 5,000 |
| | ----- | ----- |
| Total Liabilities | 15,733 | 5,000 |
| | ----- | ----- |
| Commitments and contingencies | -- | -- |
| Stockholders' (Deficit): | | |
| Common stock, \$.001 par value, 50,000,000 shares authorized; 2,181,000 shares issued and outstanding | 2,181 | 2,181 |
| Additional paid-in capital | 26,812 | 17,919 |

| | | |
|--|----------|----------|
| Deficit accumulated during the development stage | (40,261) | (20,218) |
| Total Stockholders' (Deficiency) | (11,268) | (118) |
| Total Liabilities and Stockholders' (Deficiency) | \$ 4,465 | \$ 4,882 |

</TABLE>

See accompanying notes to financial statements
PAWFECT FOODS, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006 AND CUMULATIVELY
FROM NOVEMBER 15, 2005 (INCEPTION) TO DECEMBER 31, 2007

<TABLE><CAPTION>

| | Cumulative From Inception (Nov. 15, 2005) To December 31, 2007 | For the Year Ended December 31, 2007 | For the Year Ended December 31, 2006 |
|--|--|---|---|
| <S> | <C> | <C> | <C> |
| REVENUES | \$ -- | \$ -- | \$ -- |
| OPERATING EXPENSES | 40,261 | 20,043 | 20,202 |
| Operating (Loss) Before Interest Expense | (40,261) | (20,043) | (20,202) |
| Other Income/(Expenses) | -- | -- | -- |
| (Loss) Before Provision for Income Taxes | (40,261) | (20,043) | (20,202) |
| Income Taxes | -- | -- | -- |
| Net (Loss) | \$ (40,261) | \$ (20,043) | \$ (20,202) |
| Net (Loss) Per Common Share - Basis and Diluted | | \$ (0.01) | \$ (0.01) |
| Weighted Average Shares of Common Stock Outstanding | | 2,181,000 | 2,181,000 |

</TABLE>

See accompanying notes to financial statements

PAWFECT FOODS INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY (DEFICIENCY)
FROM NOVEMBER 15, 2005 (INCEPTION) TO DECEMBER 31, 2007

<TABLE><CAPTION>

| | Common Stock | | Additional Paid In Capital | Deficit Accumulated During Development Stage | Total Stockholders Equity (Deficiency) |
|---------------------------------------|--------------|----------|----------------------------------|--|---|
| | Shares | Amount | | | |
| <S> | <C> | <C> | <C> | <C> | <C> |
| Sale of Common Stock to Founder | 2,000,000 | \$ 2,000 | \$ -- | \$ -- | \$ 2,000 |
| Sale of Common Stock | 181,000 | 181 | 17,919 | | 18,100 |
| Net (Loss) December 31, 2005 | | | | (16) | (16) |
| Balance December 31, 2005 | 2,181,000 | 2,181 | 17,919 | (16) | 20,084 |
| Net (Loss) December 31, 2006 | | | | (20,202) | (20,202) |
| Balance December 31, 2006 | 2,181,000 | 2,181 | 17,919 | (20,218) | (118) |
| Capital Contributions by Shareholders | | | 8,893 | | 8,893 |
| Net (Loss) December 31, 2007 | | | | (20,043) | (20,043) |
| Net (Loss) | 2,181,000 | \$ 2,181 | \$ 26,812 | \$ (40,261) | \$ (11,268) |

</TABLE>

See accompanying notes to financial statements
PAWFECT FOODS, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006 AND CUMULATIVELY
FROM NOVEMBER 15, 2005 (INCEPTION) TO DECEMBER 31, 2007

<TABLE><CAPTION>

| | Cumulative From Inception (Nov. 15, 2005) To December 31, 2007 | For the Year Ended December 31, 2007 | For the Year Ended December 31, 2006 |
|--|--|---|---|
| <S> | <C> | <C> | <C> |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net (loss) | \$ (40,261) | \$ (20,043) | \$ (20,202) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | |
| Depreciation | 728 | 672 | 56 |
| Changes in operating assets and liabilities: | | | |
| Increase in accounts payable | 5,671 | 5,671 | -- |
| Increase in accrued liabilities | 5,563 | 563 | 5,000 |
| Net cash used in operating activities | (28,299) | (13,137) | (15,146) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchases of property and equipment | (3,386) | -- | (3,386) |
| Net cash used in investing activities | (3,386) | -- | (3,386) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Loans payable proceeds- related party | 4,500 | 4,500 | -- |
| Sale of Common Stock | 18,100 | -- | -- |
| Additional Capital Contribution by Shareholders | 8,892 | 8,892 | -- |
| Proceeds from sale of common stock to founder | 2,000 | -- | -- |
| Net cash provided by financing activities | 33,492 | 13,392 | -- |
| Net increase (decrease) in cash | 1,807 | 255 | (18,532) |
| Cash and equivalents, beginning of period | -- | 1,552 | 20,084 |
| Cash and equivalents, end of period | \$ 1,807 | \$ 1,807 | \$ 1,552 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | | |
| Payment of taxes | \$ -- | \$ -- | \$ -- |
| Payment of interest | \$ -- | \$ -- | \$ -- |

</TABLE>

See accompanying notes to financial statements

PAWFECT FOODS, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND OPERATIONS

The Company was organized under the laws of the State of Florida on November 15, 2005.

The Company is in the development stage. The Company plans to develop a distribution channel in the pet food industry selling a comprehensive supply of products utilizing the World Wide Web. The Company currently has no operations.

DEVELOPMENT STAGE

The Company is in its development stage. The Company since inception (November 15, 2005) has not commenced its full operations, nor has generated sufficient working capital to pursue its business objectives. The accumulated deficit during its development stage is \$40,261 at December 31, 2007.

BASIS OF ACCOUNTING

The Company's policy is to prepare its financial statements using the accrual basis of accounting in accordance with generally accepted accounting principles. The Company has retained December 31 as its annual year end.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

CASH AND EQUIVALENT

Cash and cash equivalent include cash and cash in banks. The company maintains cash and cash equivalent balances at financial institutions that are insured by the Federal Deposit Insurance Corporations up to \$100,000. At December 31, 2007, there is no concentration of credit risk form uninsured bank balances.

FIXED ASSETS

Fixed assets are recorded at cost. Depreciation is computed on the straight-line method, based on the estimated useful lives of the assets of generally five or ten years. Expenditures for maintenance and repairs are charged to operations as incurred. Depreciation expense was \$672 for the year ended December 31, 2007 and \$56 for year ended December 31, 2006.

PAWFECT FOODS, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

RECENT ACCOUNTING PRONOUNCEMENTS

In September 2006, the FASB issued SFAS No. 157 FAIR VALUE MEASUREMENTS ("SFAS No. 157"), which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements, SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years.

In June 2006, the FASB issued Interpretation No. 48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES: AN INTERPRETATION OF FASB STATEMENT NO. 109 ("FIN No. 48"). This interpretation clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements in accordance with SFAS No. 109. FIN No. 48 prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return. This interpretation is effective for fiscal years beginning after December 15, 2006.

In February 2007, the FASB issued SFAS No., 159, The Fair Value Option for Financial Assets and Financial Liabilities, including an amendment to FASB Statements No. 115 ("SFAS No. 159"), SFAS No. 159 permits entities to choose to measure many financial instruments, and certain other items, at fair value that are not currently required to be measured at fair value, SFAS No. 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007, however early adoption is permitted.

Management does not believe that any of the recent issued accounting pronouncements will be applicable to the Company

NOTE 2 INCOME TAXES

In February 1992, the Financial Standards Board issued Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". Under SFAS No. 109, deferred assets and liabilities are recognized for the estimated future tax consequences between the financial statement carrying amounts of the existing assets and their respective basis.

Deferred assets and liabilities are measured using enacted tax rates in effect for the year in which temporary differences are expected to be recorded or settled. Under SFAS No. 109 the effect on deferred assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

As of December 31, 2007, the Company had net operating losses (NOL's) of approximately \$40,261 that expire in 15 years commencing in 2005. The reconciliation of the statutory and effective rate follows:

| | |
|--------------------------------|------|
| Statutory federal income taxes | 34% |
| Valuation allowance | (34) |
| | ---- |
| Effective tax rate | 0% |

No tax benefit is being accrued due to uncertainty of profits.

NOTE 3 CAPITAL TRANSACTIONS

At inception November 15, 2005, 2,000,000 shares of common stock were sold to the founder for \$2,000 cash. In December 2005, the Company offered 181,000 shares of their common stock under Rule 504 of Regulation D and section 4 (2) of the Securities Act. The Common shares were offered at a per share price of \$.10 for the aggregate sum of \$18,100. All of the thirty two (32) investors were of non-accredited status

PAWFECT FOODS, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

NOTE 4 RELATED PARTY TRANSACTIONS

The Company's former President, Treasurer, Secretary and principal shareholder loaned the Company an aggregate of \$8,892 by paying third party expenses on the Company's behalf. The advances were unsecured obligations due on demand. On August 15, 2007, effective as of July 17, 2007 Mr. Monahan released the Company from any obligation to pay back advances made by him to pay third party expenses incurred by the Company in the aggregate amount of \$8,892.

The Company is leasing approximately 70 square feet of office space on a month to month basis from Steinway Group, LLC in Long Island City (L.I.C.). New York. This facility serves as the Company's principal executive and administrative office. Rental for the facility is approximately \$2,400 per annum payable in equal monthly installments. Mr. Gattini is the Managing Member of Steinway Group, LLC with a 78% ownership interest in the Steinway Group.

In November, 2007 the Company's principal shareholder loaned the Company \$4,500 to pay accounting, legal and other fees. The loan was documented in a grid promissory note in March. 2008 The note provides for 3% annual interest due at maturity and is due the earlier of: (i) April 1, 2009; (ii) when the Company has raised gross proceeds of \$500,000 (not including securities of the Company purchased by the principal shareholder, additional advances pursuant to the note or other loans from principal shareholder to the Company), (iii) upon a change in the ownership of a majority of the outstanding voting stock of the Company; or (iv) the date that the entire principal amount and interest on the Note becomes due and payable by reason of acceleration due to the occurrence of an Event of Default (as defined in the note)..

NOTE 5 EXECUTIVE COMPENSATION

The Company has retained Mr. Pietro Gattini as the Company's President, Chairman and Chief Executive Officer and is currently the only Director, Officer and Employee. Compensation is being accrued at the rate of \$500 per month and is to be paid at the earlier of the Company receiving more than \$500,000 of financing or a change of the ownership of a majority of the Company's outstanding shares..

NOTE 6 COMMITMENTS AND LEASES

The Company is leasing approximately 70 square feet of office space on a month to month basis from Steinway Group, LLC in L.I.C. , New York. This facility serves as the Company's principal executive and administrative office. Rental for the facility is approximately \$2,400 per annum payable in equal monthly installments. Rent is being accrued and will be payable upon the termination of the lease.

NOTE 7 SUBSEQUENT EVENTS

In February 2008, the Company's sole executive officer and director loaned the Company \$5,000 to pay accounting fees and other operating expenses. The loan was documented in a grid promissory note in March. 2008 The note provides for 3% annual interest due at maturity and is due the earlier of: (i) April 1, 2009; (ii) when the Company has raised gross proceeds of \$500,000 (not including securities of the Company purchased by the principal shareholder, additional advances pursuant to the note or other loans from principal shareholder to the Company), (iii) upon a change in the ownership of a majority of the outstanding voting stock of the Company; or (iv) the date that the entire principal amount and interest on the Note becomes due and payable by reason of acceleration due to the occurrence of an Event of Default (as defined in the note).

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS, CONTROL PERSONS AND CORPORATE GOVERNANCE; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

The following table sets forth the names and ages of our current directors and executive officers, the principal offices and positions held by each person and the date such person became a director or executive officer. The executive officers are elected annually by the Board of Directors. The directors serve one-year terms until their successors are elected. The executive officers serve terms of one year or until their death, resignation or removal by the Board of Directors. There are no family relationships between any of the directors and executive officers. In addition, there was no arrangement or understanding between any executive officer and any other person pursuant to which any person was selected as an executive officer.

Our directors and executive officers as of February 29, 2008, are as follows:

| Name | Age | Position |
|----------------|-----|-----------------------------------|
| ---- | --- | ----- |
| Pietro Gattini | 64 | President, Secretary and Director |

Biotech Initiative, acting in its capacity as our principal stockholder, appointed Pietro Gattini to serve as sole director on July 17, 2007, filling the vacancy created by the resignation of Mr. Charles Monahan. Mr. Gattini also became President, Secretary and Treasurer at that time. He is the owner and operator of Gatt Communications, Inc., a private two way radio communications sales service company he founded in 1994. Mr. Gattini has provided business consulting services as an independent contractor for more than the past five years. In addition, since May 1988, Mr. Gattini has served as sole director and officer of Allure Cosmetics, Inc., which files reports with the SEC, but is inactive.

ITEM 10. EXECUTIVE COMPENSATION

No executive or director compensation was paid or accrued from our inception to November 1, 2007.

On November 13, 2007 we entered into a letter agreement with Pietro Gattini, our President, Secretary and Treasurer to accrue compensation for him at the rate of \$500 per month retroactive to September 1, 2007. Under the agreement we agreed to pay the accrued compensation five days after the earlier of our raising \$500,000 of capital or a change in the ownership of the majority of our voting stock. Mr. Gattini agreed not to engage in any competitive activities to those of the company and not to try to hire any of our employees during the term of the agreement. The agreement is terminable by either us or Mr. Gattini on notice.

During the fiscal year ended December 31, 2007, \$2,000 was accrued as salary for Mr. Gattini's services as CEO. We do not have any other compensation or equity plans for any of our officers or directors.

COMPLIANCE WITH SECTION 16(A) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Securities Exchange Act of 1934 is not applicable to our officers, directors or persons who own more than ten percent of our common stock until we register a class of securities under Section 12 thereunder.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth the ownership, as of February 29, 2008, of our common stock (a) by each person known by us to be the beneficial owner of more than 5% of our outstanding common stock, (b) by each of our directors, and (c) by all executive officers and our directors as a group. To the best of our knowledge, all persons named have sole voting and investment power with respect to such shares, except as otherwise noted.

| Title of Class | Name and Address | No. of Shares | Nature of Ownership | Current % Owned (1) |
|----------------|--|---------------|-------------------------------|---------------------|
| ----- | ----- | ----- | ----- | ----- |
| Common | Biotech Initiative of Chelsea, Ltd. 1st Floor Riverview House, 23 City Quay, Dublin, Ireland | 2,000,000 | Held of Record | 91.7% |
| Common | Pietro Gattini | 0 | Beneficially and of Record | 0.0% |
| Common | All officers and directors as a group (one person) | 0 | Beneficially and of Record | 0.0% |

(1) Based on 2,181,000 shares outstanding on February 29, 2008.

The number and percentage of shares beneficially owned is determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rule, beneficial ownership includes any shares as to which the person or group has sole or shared voting power or investment power and also any shares that the person or group has the right to acquire within 60 days.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

In November 2005, 2,000,000 shares of common stock were issued to Mr. Charles Monahan for \$2,000.

Charles Monahan, our former President, Treasurer, Secretary and principal shareholder loaned us an aggregate of \$8,892 by paying third party expenses on our behalf. The advances were unsecured obligations due on demand. On August 15, 2007, effective as of July 17, 2007 Mr. Monahan released us from any obligation to pay back advances made by him to pay third party expenses incurred by us in the aggregate amount of \$8,892.

We are leasing approximately 70 square feet of office space on a month to month basis from Steinway Group, LLC in L.I.C. , New York. This facility serves as our principal executive and administrative office. Rental for the facility is \$2,400 per annum payable in equal monthly installments. Mr. Gattini, our current President, Secretary, Treasurer and sole director is the Managing Member of Steinway Group, LLC with a 78% ownership interest.

In November, 2007 Biotech Initiative of Chelsea, Ltd., the Company's principal shareholder, loaned us \$4,500 to pay accounting, legal and other fees. The loan was documented in a grid promissory note in March 2008. The note provides for 3% annual interest due at maturity and is due the earlier of: (i) April 1, 2009; (ii) when we have raised gross proceeds of \$500,000 (not including securities of the Company purchased by the principal shareholder, additional advances pursuant to the note or other loans from principal shareholder to us), (iii) upon a change in the ownership of a majority of our outstanding voting stock; or (iv) the date that the entire principal amount and interest on the note becomes due and payable by reason of acceleration due to the occurrence of an Event of Default (as defined in the note).

In February 2008, Pietro Gattini, our sole executive officer and director loaned us \$5,000 to pay accounting fees and other operating expenses. The loan was documented in a grid promissory note in March 2008. The note provides for 3% annual interest due at maturity and is due the earlier of: (i) April 1, 2009; (ii) when the we have raised gross proceeds of \$500,000 (not including our securities purchased by the principal shareholder, additional advances pursuant to the note or other loans from principal shareholder to us), (iii) upon a change in the ownership of a majority of our outstanding voting stock; or (iv) the date that the entire principal amount and interest on the note becomes due and payable by reason of acceleration due to the occurrence of an Event of Default (as defined in the note).

Other than the foregoing, we have not entered into any transactions with our officers, directors, persons nominated for such positions, beneficial owners of 5% or more of our common stock, or family members of such persons since inception to December 31, 2007. We are not a subsidiary of any other company. Charles Monahan, was our only promoter.

ITEM 13. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

<TABLE><CAPTION>

| EXHIBIT NUMBER | EXHIBIT DESCRIPTION | FORM | INCORPORATED BY REFERENCE | | | FILED HEREWITH <C> |
|----------------|--|--------|---------------------------|---------|-------------|--------------------|
| | | | FILE NUMBER | EXHIBIT | FILING DATE | |
| <S> | <C> | <C> | <C> | <C> | <C> | |
| 3.1 | Articles of Incorporation of the Registrant. | SB-2 | 333-131722 | 3.1 | 2/20/06 | |
| 3.2 | By-Laws of the Registrant. | SB-2 | 333-131722 | 3.2 | 2/20/06 | |
| 4.1 | Specimen of Common Stock Certificate. | SB-2 | 333-131722 | 4.1 | 2/20/06 | |
| 10.1 | Capital Stock Purchase Agreement between Biotech Initiative of Chelsea, Ltd., and Charles Monahan dated July 16, 2007 | 8-K | 333-131722 | 10.1 | 7/20/07 | |
| 10.2* | Offer letter between the registrant and Pietro Gattini dated November 13, 2007 | 10-QSB | 333-131722 | 10.1 | 11/19/07 | |
| 10.3 | Month to month lease between the registrant and Steinway Group LLC dated November 13, 2007 | 10-QSB | 333-131722 | 10.2 | 11/19/07 | |
| 10.4 | Form of Grid Promissory note dated March 11, 2008 between Pawfect Foods, Inc. and Biotech Initiative of Chelsea, Ltd. | | | | | X |
| 10.5 | Form of Grid Promissory note dated March 11, 2008 between Pawfect Foods, Inc. and Pietro Gattini | | | | | X |
| 21 | Subsidiaries of the Registrant. | | | | None | |
| 31.1 | Certification of Chief Executive and Financial Officer of pursuant to 18 U.S.C. - Section 1350. | | | | | X |
| 32.1 | Certification of Chief Executive and Financial Officer of Periodic Report pursuant to Rule 13a-14a and Rule 15d-14(a). | | | | | X |

</TABLE>

*Compensation plans or arrangements in which directors or executive officers are eligible to participate.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the fees billed to us by Baum & Co. for fees billed for fiscal years ended December 31, 2007 and December 31, 2006:

| | Fiscal Year Ended December 31, 2007 | Fiscal Year Ended December 31, 2006 |
|----------------------|--|--|
| Audit Fees 1 | \$9,000 | \$8,000 |
| Audit Related Fees 2 | - | - |
| Tax Fees 3 | - | - |
| All Other Fees | - | - |

1. Consists of fees billed for professional services rendered for the audit of the financial statements of the Company as of December 31, 2006 and December 31, 2007 and reviews of the financial statements included in the Company's Quarterly Reports On Form 10-QSB for the

quarters during such fiscal years.

2. Consists of fees for services relating to accounting consultation related to the performance of the audit that are not reported as audit fees.
3. Consists of tax filing and related compliance and other advisory services.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 28, 2008 PAFPECT FOODS, INC.

By: /s/ Pietro Gattini

Pietro Gattini, President
(principal executive and financial officer)

Pursuant to requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

| Signature ----- | Capacity ----- | Date ---- |
|---|--------------------------------------|----------------|
| /s/ Pietro Gattini ----- Pietro Gattini | President, Treasurer and Director | March 28, 2008 |

Long Island City, New York
March 11, 2008

GRID PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned PAWFECT FOODS, INC., a Florida corporation, having a mailing address at 31-51 Steinway Street, Long Island City, New York 11103 ("Borrower"), promises to pay to BIOTECH INITIATIVE OF CHELSEA, LTD., 1st Floor Riverview House, 23 City Quay, Dublin, Ireland ("Lender"), the unpaid principal amount of the advances made by Lender to Borrower as evidenced by Schedule A attached hereto, with interest at the Interest Rate (as hereinafter defined) on the unpaid principal amount from the date hereof until the said principal amount has been paid in full, whether at the Maturity Date (as hereinafter defined) or otherwise, all as more fully set forth herein. This Note initially represents advances previously made by Lender to third parties on Borrower's behalf and Lender agrees to provide Borrower with documentation reasonably requested to verify the date, purpose and amount of such advances.

Lender shall endorse on the Schedules to this Note, appropriate notations to evidence the date, amount, and maturity of each loan made by Lender and the date and amount of each payment of principal made by Borrower with respect thereto and forward a copy to Borrower within three business days; provided, that the failure of Lender to make any such notation or endorsement or forward a copy shall not affect the obligations of Borrower, hereunder under the Borrower's Note. The Lender is hereby irrevocably authorized by Borrower so to endorse the Borrower's Note and to attach to and make a part of the Borrower's Note a continuation of any such schedule, when required. The amount and time of any advances to the Borrower shall be in the sole discretion of the Lender.

The "Interest Rate" shall be three (3%) percent per annum of the principal outstanding until the principal amount of this Note, together with all unpaid accrued interest, thereon, shall have been paid in full; provided, however, that in no event shall the Interest Rate exceed the maximum rate or amount permitted by applicable law. Accrued interest shall be computed on the basis of a 365 day year for the actual number of days elapsed during the period for which computed and shall be paid by Borrower to Lender when the principal is due at maturity or otherwise. Each payment of principal and interest shall first be applied to accrued interest due hereunder and the balance, if any, to the principal hereof.

The "Maturity Date" shall be the date that is the earlier of: (i) April 1, 2009; (ii) when the Borrower has raised gross proceeds of \$500,000 (not including securities of Borrower purchased by Lender, additional advances pursuant to this Note or other loans from Lender to Borrower), (iii) upon a change in the ownership of a majority of the outstanding voting stock of the Borrower; or (iv) the date that the entire principal amount and interest on this Note shall become due and payable by reason of acceleration due to the occurrence of an Event of Default (as hereinafter defined) or otherwise.

Each of the following specified events hereby constitutes and is herein referred to

1

individually as an "Event of Default":

(a) Borrower's failure to make or cause to be made any payments to Lender under this Note or under any other note or agreement now existing or hereafter to be entered into between the undersigned and Lender when the same are due; or

(b) Default in the due and timely observance or performance of the covenants, conditions or agreements of Borrower contained in this Note; or

(c) If any warrant of attachment, execution of other writ shall be issued or levied upon the proceeds or amounts payable hereunder and such attachment, execution or other writ shall remain undischarged and unstayed for a period in excess of thirty (30) days; or

(d) If Borrower should make an assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its properties or assets; or should file a voluntary petition in bankruptcy or seeking reorganization or to effect a plan or other arrangement with creditors; or should file an answer admitting the jurisdiction of any court and the material allegations of an involuntary petition filed pursuant to any legislation or governmental regulation relating to bankruptcy or organization; or should join in any petition for an adjudication or for a reorganization or other arrangement; or should become or be adjudicated a bankrupt; or should apply for a consent to the appointment of or consent that an order be made appointing any receiver or trustee for itself or for any of its properties, assets or business; or if an order should be entered pursuant to any legislation or governmental rule relating to bankruptcy or reorganization; or if a receiver or a trustee should be appointed otherwise than upon its own application or consent for all or a substantial part of its properties, assets or business and any such

receiver or trustee so appointed is not discharged within sixty (60) days after the date of such appointment; or

(f) If final judgment or judgments for the payment of money aggregating in excess of Twenty-Five Thousand Dollars (\$25,000.00) not covered by insurance shall be entered or affirmed by a court against Borrower from which no further appeal may be taken, and Borrower shall not discharge the same or provide for its discharge in accordance with its or their terms or procure a stay of execution thereof within thirty (30) days from the date of entry thereof.

(g) Borrower, shall not, without the written consent of the Lender; reorganize, merge, consolidate or sell any of its assets (except in the ordinary course of its business). In the event Borrower attempts to take any of the foregoing actions without the Lender's consent, the Lender may deem such action as an "Event of Default" and may take such action as it deems necessary to enforce its rights hereunder.

Upon the occurrence of an "Event of Default" as defined herein or in the Agreement, the entire principal sum and accrued interest shall, upon written notice by Lender to Borrower, thereupon become due and payable at the option of the Lender. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. Borrower hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices in connection with this Note, except Borrower does not

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waive notice as to any prejudgment attachment or the notice of default and/or acceleration specifically required by this paragraph.

All payments of principal and interest in respect of this Note shall be made in lawful money of the United States of America by, at the option of the Borrower, wire to the bank account of Lender or in same day funds at the office of Lender set forth above, or at such place as shall be designated by Lender in writing. Until notified in writing of the transfer of this Note, Borrower shall be entitled to deem Lender or such person who has been so identified by the transferor in writing to Borrower as the holder of this Note as the owner and holder of this Note. Each of Lender and any subsequent holder of this Note agrees that before disposing of this Note or any part hereof it will make a notation hereon of all principal and interest payments made hereunder.

Borrower may, upon at least three (3) days notice to Lender, prepay this Note in whole or in part, without penalty or premium. Any prepayment of principal of this Note shall include interest to the date of prepayment on the principal amount being prepaid.

Borrower agrees that all disputes arising, directly or indirectly, out of or relating to this Note and all actions to enforce this Note may be dealt with and adjudicated exclusively in the state courts of New York sitting in New York County or Nassau County or the federal courts sitting in the Eastern District of New York, and hereby expressly and irrevocably submits the person to the jurisdiction of such courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Note or in any action to enforce this Note. So far as is permitted under the applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action, other than service of process in one of the manners specified herein or as otherwise permitted by law, shall be necessary in order to confer jurisdiction upon the person of the Borrower in any such court.

Borrower irrevocably waives, by way of motion, as a defense or otherwise (i) any objection which it may have or may hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court as is mentioned in the previous paragraph; (ii) any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum; or (iii) any claim that it is not personally subject to the jurisdiction of the above-named courts; provided that if service of process is effected upon Borrower in one of the manners specified in this paragraph or as otherwise permitted by law, Borrower agrees that final judgment from which Borrower has not or may not appeal or further appeal in any such suit, action or proceeding brought in such court of competent jurisdiction shall be conclusive and binding upon Borrower and, may so far as is permitted under the applicable law, be enforced in the courts of any state or any federal court and in any other courts to the jurisdiction of which Borrower is subject, by a suit upon such judgment and that Borrower will not assert any defense, counterclaim, or set off in any such suit upon such judgment.

Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred in the collection and enforcement of this Note. Borrower hereby consents to renewals and extensions of time at or after the Maturity Date hereof, without notice.

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This Note is being delivered and is intended to be performed in the State of New York and is governed by the laws of the State of New York excluding any laws relating to the conflict or choice of laws.

Long Island City, New York
March 11, 2008

GRID PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned PAWFECT FOODS, INC., a Florida corporation, having a mailing address at 31-51 Steinway Street, Long Island City, New York 11103 ("Borrower"), promises to pay to PIETRO GATTINI, having an address at 31-51 Steinway Street, Long Island City, New York 11103 ("Lender"), the unpaid principal amount of the advances made by Lender to Borrower as evidenced by Schedule A attached hereto, with interest at the Interest Rate (as hereinafter defined) on the unpaid principal amount from the date hereof until the said principal amount has been paid in full, whether at the Maturity Date (as hereinafter defined) or otherwise, all as more fully set forth herein. This Note, in part, represents advances previously made by Lender to third parties on Borrower's behalf and Lender agrees to provide Borrower with documentation reasonably requested to verify the date, purpose and amount of such advances.

Lender shall endorse on the Schedules to this Note, appropriate notations to evidence the date, amount, and maturity of each loan made by Lender and the date and amount of each payment of principal made by Borrower with respect thereto and forward a copy to Borrower within three business days; provided, that the failure of Lender to make any such notation or endorsement or forward a copy shall not affect the obligations of Borrower, hereunder under the Borrower's Note. The Lender is hereby irrevocably authorized by Borrower so to endorse the Borrower's Note and to attach to and make a part of the Borrower's Note a continuation of any such schedule, when required. The amount and time of any advances to the Borrower shall be in the sole discretion of the Lender.

The "Interest Rate" shall be three (3%) percent per annum of the principal outstanding until the principal amount of this Note, together with all unpaid accrued interest, thereon, shall have been paid in full; provided, however, that in no event shall the Interest Rate exceed the maximum rate or amount permitted by applicable law. Accrued interest shall be computed on the basis of a 365 day year for the actual number of days elapsed during the period for which computed and shall be paid by Borrower to Lender when the principal is due at maturity or otherwise. Each payment of principal and interest shall first be applied to accrued interest due hereunder and the balance, if any, to the principal hereof.

The "Maturity Date" shall be the date that is the earlier of : (i) April 1, 2009; (ii) when the Borrower has raised gross proceeds of \$500,000 (not including securities of Borrower purchased by Lender, additional advances pursuant to this Note or other loans from Lender to Borrower), (iii) upon a change in the ownership of a majority of the outstanding voting stock of the Borrower; or (iv) the date that the entire principal amount and interest on this Note shall become due and payable by reason of acceleration due to the occurrence of an Event of Default (as hereinafter defined) or otherwise.

Each of the following specified events hereby constitutes and is herein referred to

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individually as an "Event of Default":

(a) Borrower's failure to make or cause to be made any payments to Lender under this Note or under any other note or agreement now existing or hereafter to be entered into between the undersigned and Lender when the same are due; or

(b) Default in the due and timely observance or performance of the covenants, conditions or agreements of Borrower contained in this Note; or

(c) If any warrant of attachment, execution of other writ shall be issued or levied upon the proceeds or amounts payable hereunder and such attachment, execution or other writ shall remain undischarged and unstayed for a period in excess of thirty (30) days; or

(d) If Borrower should make an assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its properties or assets; or should file a voluntary petition in bankruptcy or seeking reorganization or to effect a plan or other arrangement with creditors; or should file an answer admitting the jurisdiction of any court and the material allegations of an involuntary petition filed pursuant to any legislation or governmental regulation relating to bankruptcy or organization; or should join in any petition for an adjudication or for a reorganization or other

arrangement; or should become or be adjudicated a bankrupt; or should apply for a consent to the appointment of or consent that an order be made appointing any receiver or trustee for itself or for any of its properties, assets or business; or if an order should be entered pursuant to any legislation or governmental rule relating to bankruptcy or reorganization; or if a receiver or a trustee should be appointed otherwise than upon its own application or consent for all or a substantial part of its properties, assets or business and any such receiver or trustee so appointed is not discharged within sixty (60) days after the date of such appointment; or

(f) If final judgment or judgments for the payment of money aggregating in excess of Twenty-Five Thousand Dollars (\$25,000.00) not covered by insurance shall be entered or affirmed by a court against Borrower from which no further appeal may be taken, and Borrower shall not discharge the same or provide for its discharge in accordance with its or their terms or procure a stay of execution thereof within thirty (30) days from the date of entry thereof.

(g) Borrower, shall not, without the written consent of the Lender; reorganize, merge, consolidate or sell any of its assets (except in the ordinary course of its business). In the event Borrower attempts to take any of the foregoing actions without the Lender's consent, the Lender may deem such action as an "Event of Default" and may take such action as it deems necessary to enforce its rights hereunder.

Upon the occurrence of an "Event of Default" as defined herein or in the Agreement, the entire principal sum and accrued interest shall, upon written notice by Lender to Borrower, thereupon become due and payable at the option of the Lender. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. Borrower hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices in connection with this Note, except Borrower does not

2

waive notice as to any prejudgment attachment or the notice of default and/or acceleration specifically required by this paragraph.

All payments of principal and interest in respect of this Note shall be made in lawful money of the United States of America by, at the option of the Borrower, wire to the bank account of Lender or in same day funds at the office of Lender set forth above, or at such place as shall be designated by Lender in writing. Until notified in writing of the transfer of this Note, Borrower shall be entitled to deem Lender or such person who has been so identified by the transferor in writing to Borrower as the holder of this Note as the owner and holder of this Note. Each of Lender and any subsequent holder of this Note agrees that before disposing of this Note or any part hereof it will make a notation hereon of all principal and interest payments made hereunder.

Borrower may, upon at least three (3) days notice to Lender, prepay this Note in whole or in part, without penalty or premium. Any prepayment of principal of this Note shall include interest to the date of prepayment on the principal amount being prepaid.

Borrower agrees that all disputes arising, directly or indirectly, out of or relating to this Note and all actions to enforce this Note may be dealt with and adjudicated exclusively in the state courts of New York sitting in New York County or Nassau County or the federal courts sitting in the Eastern District of New York, and hereby expressly and irrevocably submits the person to the jurisdiction of such courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Note or in any action to enforce this Note. So far as is permitted under the applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action, other than service of process in one of the manners specified herein or as otherwise permitted by law, shall be necessary in order to confer jurisdiction upon the person of the Borrower in any such court.

Borrower irrevocably waives, by way of motion, as a defense or otherwise (i) any objection which it may have or may hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court as is mentioned in the previous paragraph; (ii) any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum; or (iii) any claim that it is not personally subject to the jurisdiction of the above-named courts; provided that if service of process is effected upon Borrower in one of the manners specified in this paragraph or as otherwise permitted by law, Borrower agrees that final judgment from which Borrower has not or may not appeal or further appeal in any such suit, action or proceeding brought in such court of competent jurisdiction shall be conclusive and binding upon Borrower and, may so far as is permitted under the applicable law, be enforced in the courts of any state or any federal court and in any other courts

to the jurisdiction of which Borrower is subject, by a suit upon such judgment and that Borrower will not assert any defense, counterclaim, or set off in any such suit upon such judgment.

Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred in the collection and enforcement of this Note. Borrower hereby consents to renewals and extensions of time at or after the Maturity Date hereof, without notice.

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This Note is being delivered and is intended to be performed in the State of New York and is governed by the laws of the State of New York excluding any laws relating to the conflict or choice of laws.

If any term or provision of this Note or the application thereof to any persons or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Note or the application of such term or provision to persons or circumstances other than those as to which it is held or unenforceable shall not be affected thereby, and each term and provision of this Note shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, Borrower has caused this Note to be executed and delivered by its duly authorized officer, as of the day and year and the place above written.

PAWFECT FOODS, INC.
(Borrower)

By: _____
Pietro Gattini, President

Lender accepts this Note as representing advances made on behalf of third parties as to the Borrower and agrees to accurately record any such future advances and provide Borrower with documentation reasonably requested to verify the date, purpose and amount of such advances.

(Lender)

Pietro Gattini

Dated: March 11, 2008

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SCHEDULE "A"

TRANSACTIONS ON NOTE DUE TO
PIETRO GATTINI

<TABLE><CAPTION>

| Date | Purpose | Amount of Loan Made This Date | Amount of Interest Paid this Date | Amount of Principal Paid This Date | Outstanding Balance This Date | Notation Made By |
|-----------------|------------------------|----------------------------------|--|---|-------------------------------------|---------------------|
| <C> 02/08/08 | <C> Working capital | <C> \$5,000.00 | | | <C> \$5,000.00 | |

</TABLE>

Interest to @ 3% per annum

| DATE | AMOUNT | DAYS | INTEREST |
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CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
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 on Form 10-KSB of Pawfect Foods, Inc. (the "Company") for the year ended December 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Pietro Gattini, as Chief Executive Officer and as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, respectively, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 28, 2008

/s/ Pietro Gattini

President, CEO, CFO

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Pawfect Foods, Inc. and will be retained by Pawfect Foods, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF CEO PURSUANT TO RULES 13a-15(e) AND 15d-15(e)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Pietro Gattini , President, CEO and CFO of Pawfect Foods, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-KSB of Pawfect Foods, Inc.;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and 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 quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our 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 annual 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;
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - 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

March 28, 2008

/s/ Pietro Gattini

Pietro Gattini
President, CEO & CFO