

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

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2010

Commission File Number: 333-164578

SURNA INC.

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation or organization)

2nd Floor, 1901 Avenue of the Stars

Los Angeles, CA 90067

(Address of principal executive offices, including zip code)

213-985-1939

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:
NONE

Securities registered pursuant to section 12(g) of the Act:
NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES [] NO [X]

Indicate by check mark if the registrant is required to file reports pursuant to Section 13 or Section 15(d) of the Act: YES [X] NO []

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 [X] NO []

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES [] NO [X]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not 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-K or any amendment to this Form 10-K. []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	[]	Accelerated Filer	[]
Non-accelerated Filer	[]	Smaller Reporting Company	[X]

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES [] NO [X]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of November 30, 2010: \$0.00.

At February 28, 2011, 15,835,000 shares of the registrant's common stock were outstanding.

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PART I

ITEM 1. BUSINESS.

We were incorporated in the State of Nevada on October 15, 2009. We intend to develop software products and services.

As a part of this we plan to develop software and commercial applications related to social interactions between people that deal with “Complex Event Processing” (or CEP). CEP is an information analysis technique that helps discover information that can be inferred by analyzing and correlating aspects of many other pieces of information, which are referred to as “Events”. The focus of our initial CEP software development will be to enhance existing “Open-Source Software” applications for CEP, specifically through our surna.org website. After this we plan to develop commercial software applications and services throughout surna.com website.

We have not generated any revenues and the only operations we have engaged in is the development of a business plan, planning our website and preliminary work on the development of our software applications.

We have no plans to change our business activities or to combine with another business, and we are not aware of any events or circumstances that might cause its plans to change.

Our plan of operation is forward looking and there is no assurance that we will ever begin operations. Our prospects for profitability are not favorable if you consider numerous Internet-based companies have failed to achieve profits with similar plans.

Planned Services and Products

We are a start-up stage company. We are a company without revenues generating operations; we have minimal assets and have incurred losses since inception. We are developing software products and associated websites (surna.com and surna.org) that will be used to promote our presence in the business community. Our business focuses on providing software and statistical consulting services to enterprises seeking to better manage and exploit information contained in their databases and enhance their position in the market place.

Our software products are applications for a specialist area of software programming known as “*Geospatial Complex Event Processing*” (or GCEP). GCEP is a refinement of “*Complex Event Processing*” (or CEP). The designation CEP refers to a concept that combines a number of information processing tools and techniques which are used to find useful information from amongst many different types of data. The Geospatial component in GCEP adds a geographic- location based component to the CEP correlations that can be made within different sets of data. As with other data mining disciplines, in CEP the different individual data points are referred to as Events.

An Event is something that happens. Events are happening all around us all the time. A price change in the securities market is an event. A transaction is an event. An airplane taking off is an event. There are also so called “non-events” to consider, i.e. something that does not happen, but was supposed to. A non-event could be a car part that misses a step in the assembly line or an inventory

item that does not make it from the delivery truck to the warehouse. In one simple example of a Complex Event, Events could include: bells ringing, the appearance of a man in black; the appearance of a woman in white; the appearance of confetti. The “Complex Event” is one that infers something from these simple events: that a wedding is taking place.

The goal with all CEP is discover these complex, inferred Events by processing a number of other simple Events - that is having a computer program examining the simple Events against a series of predetermined and pre-programmed rules. Some of the techniques employed for CEP include the detection of complex patterns based on relationships between individual Events such as causality, membership of a group, membership of a type, and the timing of Events. GCEP adds the geographic location-based dimension to these CEP correlations.

Our GCEP products will initially expand on the functionality and capabilities of existing CEP products by adding the ability to incorporate geospatial references. Existing commercial applications employing CEP techniques include programs for algorithmic stock trading, credit card fraud detection, business activity monitoring, and security monitoring; and our software could be adapted to work with programs like these to provide a further geographic-based functionality to them.

For the statistical consulting services we aim to provide, CEP techniques will be used to discover information contained in the Events happening in any part of an organization, which will then be analyzed, in part by our software, and from which Complex Events may be deduced and from which subsequent action could be taken in real time or recommendations made based on the information discovered.

Our current software development is aimed at providing enhanced functionality to existing “Open Source” software applications for CEP. The first Open Source Software our products are designed to enhance is *Esper Event Stream and Complex Event Processing for Java*, created by EsperTech Inc. of Wayne, NJ. This and other Open Source projects we will conduct specifically through our surna.org website to keep them separated from our planned future commercial software products. “Open source” describes practices in the production, development and licensing of software that promote access to the product’s source materials, which typically means their computer source code, and end-product. Open Source software is freely available to anyone and anyone can use or modify the software, within the restrictions of the particular license the software was distributed under.

After this initial Open Source based development we plan to further develop commercial software applications and related consulting services throughout surna.com website. The applications will extend internal corporate software controls, often referred to as Reporting Environments, to be able to report on Geospatial relationships and enable real-time tracking of resources such as equipment or personnel in the field, within buildings or on campuses.

Current Software Development Program

Software development has started with the *Geospatial Complex Event Processing Engine* (GCEP Engine), a program written in the Java programming language that adds functionality to *Esper for Java*. The GCEP Engine accepts real time Events as inputs, analyzes that Event against the logic rules built into the program, and will then trigger additional actions as an output. The GCEP Engine is a server based component and does not contain any end-user interfaces, except for administrative tools that will be used to define inputs for the program; it will be a core component for our future commercial software.

The GCEP Engine *Version 0.1 "OGC ST* Functions"* was released on April 22, 2010 on the website launchpad.net/gcep, which can also be accessed through our surna.org website, under the GNU GPL v2 Open Source license. The GCEP Engine as a middleware component provides a service in evaluating data passed to it by other software programs so, although this source code is currently available for anyone to download, it would not be of use in of itself to our potential future customers or other general end-users. It is designed to be integrated into other software systems and as such is of use to software developers who are looking to add this specialized functionality to their products, which would include our own planned software. As an Open Source release we cannot charge, and are not charging, for the GCEP Engine itself and the future revenue that could be derived from this component would be fees for support services, which would likely be a part of service fee packages we would charge customers for our software products still to be developed. To date we are not aware of any downloads or specific utilization of the GCEP Engine by any third-parties.

The title of release 0.1 *OGC ST* Functions* refers to the Open Geospatial Consortium (OGC), an industry grouping of companies, government agencies and universities participating to develop publicly available interface standards. The OGC OpenGIS standards support interoperable solutions that "geo-enable" web, wireless and location-based services to make spatial information and services accessible across multiple platforms. The GCEP Engine has implemented 12 functions for *Esper for Java* that conform to OGC OpenGIS standards; these 12 functions are: Contains, Within, Disjoint, Intersects, Overlaps, Crosses, Intersection, Touches, Buffer, Relate, Union, ConvexHull.

Software development on the GCEP Engine has been undertaken by two independent consultants, Dr. Richard Brandt and David P. Hanson. The development effort to-date has been on their own time and we have no formal contract with either. We have contributed to the development effort only through payment for web hosting and data processing services that they have utilized. Both Dr. Brandt and Mr. Hanson will continue to as our consultants on a part-time basis. They have a long history in software development and IT consulting, and their expertise would be crucial for the further development of our software products and provision of consulting services.

Target Market

We intend to target corporations located in the United States, Canada and Asia-Pacific.

Marketing

Initially, our services will be promoted by our officers and directors. They will discuss our services with executives with which they have had previous contact. We also anticipate utilizing several other marketing activities in our attempt to make our services known to corporations and attract clientele. These marketing activities will be designed to inform potential clients about the benefits of using our services and will include the following: development and distribution of marketing literature; direct mail and email; advertising; promotion of our web site; and industry analyst relations.

Revenue

Initially, we intend to generate revenue from three sources:

1. Term Fee - By charging a fee for a given term for software and ongoing support;
2. Fixed Fee - By charging a fixed fee for projects and software implementation;
3. Hourly Fee - By charging an hourly fee for advisory services.

We intend to develop and maintain a database of all our clients so that we can anticipate various needs and continuously build and expand our advisory services and software products.

Competition

We compete with managerial and technology consulting services. We will not be differentiating ourselves from the foregoing, but merely competing with them. The managerial consulting market is large and fragmented, and may be difficult to penetrate. Our competitive position within the industry is negligible in light of the fact that we have not started our operations. Older, well-established managerial consulting and technology consulting firms with records of success currently attract customers. Since we have not started operations, we cannot compete with them on the basis of reputation. We do expect to compete with them on the basis of the range of advisory services and the quality of advisory services that we intend to provide. At this time, our principal method of competition will be through personal contact with potential clients.

Insurance

We do not maintain any insurance and do not intend to maintain insurance in the future. Because we do not have any insurance, if we are made a party to a liability action, we may not have sufficient funds to defend the litigation. If that occurs a judgment could be rendered against us that could cause us to cease operations.

Websites

We currently have two websites: surna.com and surna.org. Both websites are partially developed for use in promoting and promoting services and products, with surna.org for collaboration on open-source software development projects and surna.com for our commercial software offerings. We also have registered the web domain surna.net. We currently do not have a use for this but it may be utilized in the promotion of our business in the future. The websites were developed by our officers and directors without the assistance of independent website developers.

Source and Availability of Products and Services

Our software will be developed by independent developers on a contract basis and our own programmers, if we hire them. Any packaged software will be manufactured by a number of suppliers and on a unit basis. There is no shortage of raw material for our software.

Seasonality and Cyclicity

We do not believe we will be impacted by seasonal changes, however; expenditures by direct marketers and advertisers tend to vary in cycles that reflect overall economic conditions as well as budgeting and buying patterns.

Proprietary Rights

We have no patents, copyrights or trademarks to protect our software. We protect it only by keeping it a secret. If someone learns to reproduce it, they will be able to compete with us.

Research and Development

Our officers and directors have not spent anything on research and development since our inception. Our software and websites are only partially complete and development work so far has been undertaken by contractors on a part-time, no-fee basis with the expectation of potential remuneration in the future. Our officers and directors have spent minimal time since our incorporation on the creation of products or services and no other costs have been incurred. The money budgeted for the software and website is based on these contractors being paid a minimal amount to finish the initial development work; but further work will likely be required after this and unless we can offer the developers a higher level of compensation in the future it is unlikely they will be able to continue to work on the development of these products. Our officers and directors do not have the necessary expertise to undertake this and will not be spending time on the task.

Properties

We own no property.

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 electronic commerce. However, the Internet is increasingly popular. As a result, it is possible that a number of laws and regulations may be adopted with respect to the Internet. These laws may cover issues such as user privacy, freedom of expression, pricing, content and quality of products and services, taxation, advertising, intellectual property rights and information security. Furthermore, the growth of electronic commerce may prompt calls for more stringent consumer protection laws. Several states have proposed legislation to limit the uses of personal user information gathered online or require online services to establish privacy policies. The Federal Trade Commission has also initiated action against at least one online service regarding the manner in which personal information is collected from users and provided to third parties. We will not provide personal information regarding our users to third parties. However, the adoption of such consumer protection laws could create uncertainty in Web usage and reduce the demand for our products.

We not certain how business may be affected by the application of existing laws governing issues such as property ownership, copyrights, encryption and other intellectual property issues, taxation, libel, obscenity and export or import matters. The vast majority of such laws were adopted prior to the advent of the Internet. As a result, they do not contemplate or address the unique issues of the Internet and related technologies. Changes in laws intended to address such issues could create uncertainty in the Internet market place. Such uncertainty could reduce demand for services or increase the cost of doing business as a result of litigation costs or increased service delivery costs.

In addition, because our products will be available over the Internet in multiple states and foreign countries, other jurisdictions may claim that we are required to qualify to do business in each such state or foreign country. We are qualified to do business only in Nevada. Our failure to qualify in a jurisdiction where it is required to do so could subject it to taxes and penalties. It could also hamper our ability to enforce contracts in such jurisdictions. Currently, we are qualified to do business in Nevada and will be qualified to do business in Hong Kong prior to commencing operations. Other than Nevada and Hong Kong, we do not believe we will have to qualify to do business in any other jurisdiction.

In Nevada, we are required to pay an annual fee to the Nevada Secretary of State of \$165.00. Nevada has no corporate income taxes. That is why it is so attractive to do business there.

Other than the foregoing, no governmental approval is needed for the sale of our products in the United States or the State of Nevada.

Employees; Identification of Certain Significant Employees.

We are a development stage company and currently have no employees, other than our officers and directors. We intend to hire additional employees, primarily software developers and programmers, on an as-needed basis. Employees will only be hired if we have sufficient revenues and/or cash to pay for their services. Until we have sufficient revenues and/or cash all work and development will be done by independent contractors on a part-time, no-fee basis, but whom we will need to retain on a commercial basis to be able to support future business activities.

Offices

Our principal office is located at 2nd Floor, 1901 Avenue of the Stars, Los Angeles, California, 90067. We do not use any space at this office currently but pay a monthly fee of \$125 for use of the address and have the right to use space on an as-needed basis, for additional fees. We will not utilize this until circumstances call for it; our telephone number is 213-985-1939. Our registered agent for service of process is the National Registered Agents Inc. of NV, located at 1000 East William Street, Suite 204, Carson City, Nevada 89701. Our directors also occupy space in the offices 7bridge Capital Management Limited, our sole shareholder, located at 19th floor, Two IFC, 8 Finance Street, Central, Hong Kong. We use approximately 50 square feet of space in this location on a rent free basis for six months commencing 1 June, 2010. The office space is currently adequate for our needs. If we grow and more space is required, we intend to move our operations or rent additional space in Hong Kong or China to supplement our existing facilities.

ITEM 1A. RISK FACTORS.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

ITEM 2. PROPERTIES.

None.

ITEM 3. LEGAL PROCEEDINGS.

We are not presently a party to any litigation.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

There is no public trading market for our common stock. There are no outstanding options or warrants to purchase, or securities convertible into, our common stock.

Holders

There are 52 holders of record for our common stock. There are a total of 15,835,000 shares of common stock outstanding, 15,000,000 of which are restricted. One of our shareholders is 7bridge Capital Management Limited and is indirectly owned and controlled by Richard Clarke, our president and a director, and by Cherry Ping-Wai Lim, one of our directors.

Dividends

We have not declared any cash dividends, nor do we intend to do so. We are not subject to any legal restrictions respecting the payment of dividends, except that they may not be paid to render us insolvent. Dividend policy will be based on our cash resources and needs and it is anticipated that all available cash will be needed for our operations in the foreseeable future.

Section 15(g) of the Securities Exchange Act of 1934

Our shares are covered by section 15(g) of the Securities Exchange Act of 1934, as amended that imposes additional sales practice requirements on broker/dealers who sell such securities to persons other than established customers and accredited investors (generally institutions with assets in excess of \$5,000,000 or individuals with net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouses). For transactions covered by the Rule, the broker/dealer must make a special suitability determination for the purchase and have received the purchaser's written agreement to the transaction prior to the sale. Consequently, the Rule may affect the ability of broker/dealers to sell our securities and also may affect your ability to sell your shares in the secondary market.

Section 15(g) also imposes additional sales practice requirements on broker/dealers who sell penny securities. These rules require a one page summary of certain essential items. The items include the risk of investing in penny stocks in both public offerings and secondary marketing; terms important to in understanding of the function of the penny stock market, such as bid and offer quotes, a dealers spread and broker/dealer compensation; the broker/dealer compensation, the broker/dealers' duties to its customers, including the disclosures required by any other penny stock disclosure rules; the customers' rights and remedies in cases of fraud in penny stock transactions; and, FINRA's toll free telephone number and the central number of the North American Administrators Association, for information on the disciplinary history of broker/dealers and their associated persons.

Securities Authorized for Issuance Under Equity Compensation Plans

We have no equity compensation plans and accordingly we have no shares authorized for issuance under an equity compensation plan.

Status of Our Public Offering

On August 26, 2010, our Form S-1 registration statement (SEC file no. 333-164578) was declared effective by the SEC. Pursuant to the Form S-1, we offered 750,000 shares minimum, 1,500,000 shares maximum at an offering price of \$0.10 per share in a direct public offering, without any involvement of underwriters or broker-dealers. On November 30, 2010, we completed our public offering and sold 835,000 shares of common stock to 51 individuals and raised \$83,500. Since then, we have not spent any of the proceeds.

ITEM 6. SELECTED FINANCIAL DATA.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

This section of this annual report includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

We are a start-up stage corporation and have not started operations or generated or realized any revenues from our business operations.

Our auditors have issued a going concern opinion. This means that our auditors believe there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills. This is because we have not generated any revenues and no revenues are anticipated until we complete the development of our software products and website and sell products and services to our customers. We have spent nominal time designing the website. We intend to retain the services of a website developer to create the website. Accordingly, we must raise cash from sources other than operations. Our only other source for cash at this time is investments by others in our company.

To meet our need for cash we raised money from our public offering. We believe that we raised enough money through our public offering to maintain operations for twelve months, but we cannot guarantee that once we begin operations we will stay in business after twelve months. If we are unable to secure enough suppliers of products at suitably low pricing or enough customers willing to buy the products at higher than the price we have negotiated with our suppliers, we may quickly use up the proceeds from the minimum amount of money from our public offering and will need to find

alternative sources, like a second public offering, a private placement of securities, or loans from our officers or others in order for us to maintain our operations. At the present time, we have not made any arrangements to raise additional cash, other than through our public offering. If we need additional cash and cannot raise it we will either have to suspend operations until we do raise the cash, or cease operations entirely.

Plan of Operation

With the completion of our public offering, our specific goal is to profitably sell products and/or services through our Internet website, to companies and the public. We intend to accomplish this through the following steps:

1. Having completed our public offering, we believe that we have raised sufficient capital to begin our operations, which we believe this could take up to 270 days to set-up.
2. We will establish our office and begin to acquire the equipment we need to commence operations, a process that we have started but is currently at a preliminary stage. Establishing our offices will likely take longer than originally expected as we also intend to look at locations for this in Hong Kong, Singapore or another city in the Asia-Pacific region. We have allocated \$10,000 for the initial setup of the office. As we did not raise \$150,000 or more we will not look to hire any full-time employees in the short-term.
3. We have spent time designing the website in the past but we believe that it will need to be redesigned if we are likely to be successful in promoting our products and services offerings. We expect this will cost between \$5,000 and \$10,000 for a site that services our minimum current requirements, and are currently exploring the best options for procuring these web design services, including from developers in Hong Kong and/or China, which we feel may be more cost-effective.
4. Marketing and advertising will be focused on promoting our website and software products. The advertising campaign may also include the design and printing of various sales materials. We intend to market our products and website through traditional sources such as advertising in magazines, billboards, telephone directories and preparing and sending out flyers and mailers both through the regular mail and via email. Advertising and promotion will be an ongoing effort but the initial cost of developing the campaign is estimated to cost between \$15,000 and \$35,000.
5. We intend to continue to develop our software. We anticipate spending between \$5,000 and \$20,000.

We anticipate that we will generate revenues as soon as we beginning providing services to customers. We will be conducting continuing research with respect to our software. We currently do not foresee any need to buy or lease significant equipment during the next twelve months.

If we cannot generate sufficient revenues to continue operations, we will suspend or cease operations. If we cease operations, we do not know what we will do and we do not have any plans to do anything.

We anticipate that we will generate revenues as soon as we beginning providing services to customers.

We will be conducting continuing research with respect to our software. We are not going to buy or sell any plant or significant equipment during the next twelve months.

If we cannot generate sufficient revenues to continue operations, we will suspend or cease operations. If we cease operations, we do not know what we will do and we do not have any plans to do anything.

Limited operating history; need for additional capital

There is no historical financial information about us upon which to base an evaluation of our performance. We are in a start-up stage operations and have not generated any revenues. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources and possible cost overruns due to price and cost increases in services and products.

To become profitable and competitive, we have to locate and negotiate agreements with manufacturers to offer their products for sale to us at pricing that will enable us to establish and sell the products to our clientele at a profit. We are seeking equity financing to provide for the capital required to implement our operations.

We have no assurance that future financing will be available to us on acceptable terms. If financing is not available on satisfactory terms, we may be unable to continue, develop or expand our operations. Equity financing could result in additional dilution to existing shareholders.

Results of operations

From Inception on October 15, 2009 to November 30, 2010

During the period, we incorporated, hired the attorney, and hired the auditor for the preparation of our registration statement. We have prepared an internal business plan. We have registered the domain names www.surna.com and www.surna.org and commenced construction of our interim web site. Our loss since inception is \$39,726 for legal fees, initial software development services, placement expenses and office rent. We have not started our proposed business operations.

Since inception, we sold 15,000,000 shares of common stock to 7bridge Capital Management Limited for \$15,000. From September through November, the company placed 835,000 shares to 51 individuals at \$0.10 per shares and raised \$83,500 excluding expenses.

Years Ended November 30, 2010 and November 30, 2009

The net loss from operation for the three months ended November 30, 2010 was \$13,408 of which \$10,645 is legal and professional fee, \$1,000 for transfer agent fees, \$467 for bank service charge, \$300 for office rent expense, \$253 for placement expense, \$550 for licenses and permits, \$161 for software development expenses and \$33 for general office administration expense.. We have had a loss from operation for the full year ending November 30, 2010 of \$24,725 of which \$16,345 is for professional fees including legal fees and audit fees, \$4,664 for software development related expense, \$1,389 for rent expense, \$1,000 for transfer agent fee, \$253 for placement expense, \$550 for licenses and Permits, \$33 for general administration expenses and \$492 bank charges.

Liquidity and capital resources

We issued 15,835,000 shares of common stock, 15,000,000 shares pursuant to the exemption from registration contained in Regulation S of the Securities Act of 1933 and 835,000 shares pursuant to our public offering. Both were accounted for as sales of common stock.

As of November 30, 2010, our total assets were \$76,525 and our total liabilities were \$17,751.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Surna, Inc.
(A Development Stage Company)
Los Angeles, California

We have audited the accompanying balance sheets of Surna, Inc. (the "Company") as of November 30, 2010 and 2009, and the related statements of expenses, cash flows and changes in stockholders' equity for the year ended November 30, 2010, for the period from October 15, 2009 (inception) through November 30, 2009, and for the period from October 15, 2009 (inception) through November 30, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. 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 Surna, Inc., as of November 30, 2010 and 2009, and the results of its operations and its cash flows for the year ended November 30, 2010, for the period from October 15, 2009 (inception) through November 30, 2009, and for the period from October 15, 2009 (inception) through November 30, 2010, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that Surna Inc. will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered losses from operations which raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

MALONEBAILEY, LLP
www.malone-bailey.com
Houston, Texas

February 28, 2011

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Surna Inc.
(A Development Stage Company)
Balance Sheets

	November 30, 2010	November 30, 2009
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 73,314	\$ -
Prepaid Expenses	3,211	-
Total Current Assets	76,525	-
TOTAL ASSETS	\$ 76,525	\$ -
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts Payable & Accrued liabilities	\$ 51	\$ -
Advance from Related Party	17,700	-
TOTAL LIABILITIES	17,751	-
STOCKHOLDERS' Equity		
Preferred stock, \$0.00001 par value, 100,000,000 shares authorized, - shares issued and outstanding	-	-
Common stock, \$0.00001 par value; 100,000,000 shares authorized, 15,835,000 shares issued and outstanding	158	150
Additional paid-in capital	98,342	14,850
Deficit accumulated during the development stage	(39,726)	(15,000)
TOTAL STOCKHOLDERS' Equity	58,774	-
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 76,525	\$ -

See accompanying notes to the audited financial statements.

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Surna Inc.
(A Development Stage Company)
Statements of Expenses
For the Year Ended November 30, 2010, for period October 15, 2009 (Inception) to November 30,
2009 and for the period October 15, 2009 (Inception) to November 30, 2010

	November 30 2010	From October 15, 2009 (inception) To November 30 2009	From October 15, 2009 (inception) To November 30 2010
REVENUES	\$ -	\$ -	\$ -
EXPENSES			
Professional fees	16,345	15,000	31,345
Transfer Agent fees	1,000		1,000
Bank service charge	492		492
Rent Expense	1,389		1,389
Placement expense	253		253
Licenses and Permits	550		550
Software Development	4,664		4,664
Office Admin Expense	33		33
Total Expenses	<u>24,726</u>	<u>15,000</u>	<u>39,726</u>
LOSS FROM OPERATIONS	<u>(24,726)</u>	<u>(15,000)</u>	<u>(39,726)</u>
NET LOSS	<u>\$ (24,726)</u>	<u>\$ (15,000)</u>	<u>\$ (39,726)</u>
BASIC AND DILUTED NET LOSS PER SHARE	(0.00)	(0.00)	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED			
	15,034,315	15,000,000	

See accompanying notes to the audited financial statements.

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Surna Inc.
(A Development Stage Company)
Statements of Stockholders' Equity
For the Period from October 15, 2009 (Inception) to November 30, 2010

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>			
Balance at Inception, October 15, 2009	-	-	-	-	-
Common stock issued for cash	15,000,000	150	14,850		15,000
Net loss for the year ended November 30, 2009	-	-	-	(15,000)	(15,000)
Balance, November 30, 2009	<u>15,000,000</u>	<u>150</u>	<u>14,850</u>	<u>(15,000)</u>	<u>-</u>
Common stock issued for cash	835,000	8	83,492		83,500
Net loss for the year ended November 30, 2010	-	-	-	(24,726)	(24,726)
Balance, November 30, 2010	<u>15,835,000</u> \$	<u>158</u> \$	<u>98,342</u> \$	<u>(39,726)</u> \$	<u>58,774</u>

See accompanying notes to the audited financial statements.

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Surna Inc.
(A Development Stage Company)
Statement of Cash Flow
For the Year Ended November 30, 2010 and November 30, 2009, for the
period October 15, 2009 (Inception) to November 30, 2010

	November 30, 2010	November 30, 2009	October 15, 2009 (Inception) to November 30, 2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$ (24,726)	\$ (15,000)	\$ (39,726)
Adjustments to reconcile net loss to cash used by operating activities:			
Net change in:			
Prepaid Software Development expenses	(2,961)		(2,961)
Rent Deposit	(250)		(250)
Payable	51		51
NET CASH USED BY OPERATING ACTIVITIES	(27,886)	(15,000)	(42,886)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shareholders Loan from 7bridge Capital Management Limited	17,700		17,700
Proceeds from Placement of stocks	83,500	15,000	98,500
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	101,200	15,000	116,200
NET INCREASE IN CASH AND CASH EQUIVALENTS	73,314	-	73,314
Cash and cash equivalents, beginning of period	-	-	-
Cash and cash equivalents, end of period	\$ 73,314	\$ -	\$ 73,314

See accompanying notes to the audited financial statements.

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Surna Inc.
(A DEVELOPMENT STAGE COMPANY)
Notes to the Financial Statements

NOTE 1 - BASIS OF PRESENTATION

Surna Inc (the “Company”) was incorporated in Nevada, USA, on October 15, 2009. The Company has limited operations and in accordance with FASB AC 915-15, is considered a development stage company, and has had no revenues from operations to date.

Initial operations have included organization, capital formation, target market identification, and marketing plans. Management is planning to develop a website (surna.com) and will offer to major corporations globally state of the art management software that will enhance business competitiveness.

The Company fiscal year end is June 30.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and the Securities and Exchange Commission Act 1934.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could materially differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments and short-term debt instruments with original maturities of three months or less to be cash equivalents. As of Nov 30, 2009, there were no cash equivalents.

Development Stage Company

The Company complies with Statement of Financial Accounting Standard ASC 915-15 and the Securities and Exchange Commission Exchange Act 7 for its characterization of the Company as development stage.

Surna Inc.
(A DEVELOPMENT STAGE COMPANY)
Notes to the Financial Statements

Income Taxes

The Company accounts for income taxes under the Financial Accounting Standards Board of Financial Accounting Standard ASC 740, "Accounting for Income Taxes." Under ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. There was no current or deferred income tax expense or benefits for the periods ending November 30, 2010.

Basic and Diluted Net Loss per Common Share

Basic net loss per common share is computed by dividing net loss by the weighted-average number of common shares outstanding during the period. Diluted net loss per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, accounts payable and accrued expenses and other liabilities approximates fair value due to the short term maturity of these instruments. The carrying value of the notes payable, approximate their fair value as November 30, 2010.

NOTE 3 - RELATED PARTY TRANSACTIONS

From inception to November 30, 2010, 7bridge Capital Management Limited advanced Surna \$17,700 cash. This advance is non-interest bearing, unsecured and due on demand.

NOTE 4 - COMMON STOCK

During the year ended November 30, 2010, the company received \$83,500 for the sale of 835,000 common shares at \$0.10 per share.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

There have been no disagreements on accounting and financial disclosures from the inception of our company through the date of this Form 10-K. Our financial statements for the period from inception to November 30, 2010, included in this report have been audited by MaloneBailey, LLP, as set forth in this annual report.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. We conducted an evaluation (the “Evaluation”), under the supervision and with the participation of our Chief Executive Officer (R 20;CEO”) and Chief Financial Officer (“CFO”), of the effectiveness of the design and operation of our disclosure controls and procedures (“Disclosure Controls”) as of the end of the period covered by this report pursuant to Rule 13a-15 of the Exchange Act. Based on this Evaluation, our CEO and CFO concluded that our Disclosure Controls were not effective because of the identification of a material weakness in our internal control over financial reporting which is identified below, which we view as an integral part of our disclosure controls and procedures.

The material weakness relates to the monitoring and review of work performed by our limited accounting staff in the preparation of financial statements, footnotes and financial data provided to our independent registered public accounting firm in connection with the annual audit. More specifically, the material weakness in our internal control over financial reporting is due to the fact that:

- The Company lacks proper segregation of duties. We believe that the lack of proper segregation of duties is due to our limited resources.
- The Company does not have a comprehensive and formalized accounting and procedures manual.

Limitations on the Effectiveness of Controls

Our management, including our CEO and CFO, does not expect that our Disclosure Controls and internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management or board override of the control.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

CEO and CFO Certifications

Appearing immediately following the Signatures section of this report there are Certifications of the CEO and the CFO. The Certifications are required in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (the Section 302 Certifications). This Item of this report, which you are currently reading is the information concerning the Evaluation referred to in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). The Company's internal control over financial reporting is a process designed to provide reasonable assurance to our management and board of directors regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. All internal control systems, no matter how well designed, have inherent limitations, including the possibility of human error and the circumvention of overriding controls. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of November 30, 2010. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. Based on our assessment, as of November 30, 2010, the Company's internal control over financial reporting were ineffective.

- The Company lacks proper segregation of duties. We believe that the lack of proper segregation of duties is due to our limited resources.
- The Company does not have a comprehensive and formalized accounting and procedures manual.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Changes in Internal Controls

There were no changes in our internal control over financial reporting during the quarter ended November 30, 2010 that have affected, or are reasonably likely to affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Officers and Directors

Our directors will serve until their successor is elected and qualified. Our officers are elected by the board of directors to a term of one (1) year and serves until his or his successor is duly elected and qualified, or until he or she is removed from office. The board of directors has no nominating, auditing or compensation committees.

The names, addresses, ages and positions of our present officers and directors are set forth below:

Name and Address	Age	Position(s)
Richard Clarke 1524, 10 Chater Road Central, Hong Kong	36	President, Principal Executive Officer, Secretary, and a member of the Board of Directors
T.C. Tan 99 Richardson Quay #18-13 Singapore 238258	45	Principal Financial Officer, Principal Accounting Officer and Treasurer
Cherry Ping-Wai Lim 16F, North Point Terrace North Point, Hong Kong	44	Director

The people named above are expected to hold their offices/positions until the next annual meeting of our stockholders.

Background of officers and directors

Richard Clarke

Since our inception on October 15, 2009, Richard Clarke has been our President, Principal Executive Officer, Secretary, and a member of the Board of Directors. Mr. Clarke and Ms. Lim own 94.72% of the outstanding shares of our common stock. As such, they unilaterally decided that Mr. Clarke was going to be an officer and director. Their decisions did not in any manner relate to Mr. Clarke's previous employments. Mr. Clarke's previous experience, qualifications, attributes or skills were not considered when Mr. Clarke and Ms. Lim appointed Mr. Clarke as one of our officers and directors. Since August 2006, he has been a partner with Lim Clarke & Co, a Hong Kong based private equity and venture capital group. Prior to this, from January 2003, he was a Senior Manager with 7bridge Capital Partners, which is now part of Lim Clarke & Co. Since May 2008, he has been a Director of ExpressTone HK, a Hong Kong based licensed telecommunications operator.

Teng-Chong Tan

Since November 24, 2009, Teng-Chong ("T.C.") Tan has been our Principal Financial Officer and Principal Accounting Officer. Mr. Clarke and Ms. Lim own 100% of the outstanding shares of our common stock. As such, they unilaterally decided that Mr. Tan was going to be our principal financial officer and principal accounting officer. Their decisions did not in any manner relate to Mr. Tan's previous employments. Mr. Tan's previous experience, qualifications, attributes or skills were not considered when Mr. Clarke and Ms. Lim appointed Mr. Tan as one of our principal financial officer and our principal accounting officer. Since April 2006, Mr Tan has been a Private Equity Investor, managing a family office, where he invests mainly in Singapore, Hong Kong and Chinese equity markets. He is currently the Chief Financial Officer for Lim Clarke & Co, a Hong Kong based private equity and venture capital group, a position he has held since August 2006. From 2001 to April 2006, he was a Director and General Manager in Shanghai of Actix International, a U.K. based software company focused on the mobile telecommunications industry.

Cherry Ping-Wai Lim

Ping-Wai Lim, also known as Cherry Lim, has been a member of our Board of Directors, since January 10, 2010. Mr. Clarke and Ms. Lim own 94.72% of the outstanding shares of our common stock. As such, they unilaterally decided that Ms. Lim was going to be a director. Their decisions did not in any manner relate to Ms. Lim's previous employments. Ms. Lim's previous experience, qualifications, attributes or skills were not considered when Mr. Clarke and Ms. Lim appointed Ms. Lim as one of our directors. Ms. Lim is currently a partner with Lim Clarke & Co, a Hong Kong based private equity and venture capital group. Since January 2010, she has been Chief Executive Officer and a Director of FTG Medi a Group, a private cross-media digital entertainment corporation headquartered in Hong Kong; and was Executive Director (from July 2009) and Chief Executive Officer (from December 2009) of Heyspace International, a precursor business to FTG Media. From May 2008 until February 2009 she served as Vice President and Chief Operating Officer of Advanced ID Corp., a Radio-frequency identification (RFID) technology company whose common stock is traded on the Bulletin Board operated by the Financial Industry Regulatory Authority (FINRA) under

the symbol AIDO. Prior to this, from March 2005 until May 2008, she was CEO of Tsing-Tech Innovations, a Hong Kong based venture capital incubation and industrialization fund. From June 30, 2008 to February 24, 2009, Ms. Lim was a Director of EcoloCap Solutions Inc., which at the time was engaged in the business of providing services and products related to the reduction of greenhouse gases and whose common stock traded on the Bulletin Board under the symbol ECOS. From January 10, 2003 to January 13, 2006 Ms. Lim was a Director of Manaris Corporation (formerly C-Chip Technologies Corporation) and whose stock traded on the Bulletin Board under the symbol MANS.

None of the companies referred to above are parents, subsidiary corporations or other affiliates of Surna Inc.

Involvement in Certain Legal Proceedings

During the past ten years, Messrs. Clarke and Tan and Ms. Lim have not been the subject of the following events:

1. A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;
2. Convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. The subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:
 - i) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;
 - ii) Engaging in any type of business practice; or
 - iii) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;
4. The subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph 3.i in the preceding paragraph or to be associated with persons engaged in any such activity;

5. Was found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;
6. Was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;
7. Was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:
 - i) Any Federal or State securities or commodities law or regulation; or
 - ii) Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or
 - iii) Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
8. Was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Consultants

Dr. Richard Brandt

Since October 2009 Dr. Richard Brandt has been our consultant. Dr. Brandt is an independent software developer who since November 2009 has been primarily employed by IBM in Brno in the Czech Republic, focal point for the Tivoli Application Dependency Discovery Manager (TADDM) practice, which delivers various services based on IBM software to clients worldwide. From August to November 2009 he was not otherwise employed while making personal preparations for transfer to the Czech Republic. Prior to this, from June 2008 to August 2009 he was with CNA Insurance, a provider of commercial property and casualty insurance in Chicago, Illinois, where he managed the enterprise monitoring system which provided alerts on outages of computers and applications for the entire enterprise. From April 2006 to June 2008 he was with IBM, based in Chicago but on assignment worldwide to solve critical situations that had not been solved by the normal support channels, primarily related to the Tivoli line of monitoring products. From April 2005 to March 2006 he was based in Shenzhen, China with Asia Payment Systems, a provider of payment services for credit card acceptors in Asia, where he was the chief technical manager. Prior to this, from December 2004 through March 2005 he was with CNA Insurance in Chicago, on a contract related to combining OS/2 and windows workstations and software; and before this, from April to November 2004, with Black

Diamond Data of North Palm Beach, Florida, which provided software for Asia Payment Systems, and where he was part of the integrated software development team. From May to December 2003 he was with Titan Corporation, which provided the software and hardware for the Saudi Arabian National ID Card System, in Riyadh, Saudi Arabia, where he was the team-lead on the project; and from December 2003 to April 2004 he not employed while taking time off after returning from Saudi Arabia. Dr. Brandt holds a Bachelor's Degree in Sociology and Psychology from Houghton College, a Master's Degree in Community School Leadership from Eastern Michigan University, and a Doctorate in Administration of Higher Education from Michigan State University.

David Hanson

Since October 2009 Mr. Hanson has been our consultant. Mr. Hanson is an independent software developer who since March 2006 has been primarily employed by Intergraph Corporation of Madison, Alabama, an independent software vendor, where he is Software Development Manager, managing and directing software development staff in defining, implementing, and testing software product requirements. Prior to this, from June 2003 to April 2006 he was with Black Diamond Data Systems of North Palm Beach, Florida as "Software Development Consulting – Principal", where he consulted for and undertook software development tasks for customers. Mr. Hanson holds a Bachelor of Science degree from Minnesota State University, Mankato, and a Chartered Life Underwriter designation from The American College, Bryn Mawr, Pennsylvania.

Family Relationships

There are no family relationships between any of the officers, directors, or consultants.

Conflicts of Interest

The only conflict that we foresee is that our officers and directors will devote time to projects that do not involve us. There are no conflicts of interest with Lim Clarke & Co. Further, we do not have any contractual relationships with Lim Clarke & Co., or any of its affiliates.

Audit Committee Financial Expert

We do not have an audit committee financial expert. We do not have an audit committee financial expert because we believe the cost related to retaining a financial expert at this time is prohibitive. Further, because we are only beginning our commercial operations, at the present time, we believe the services of a financial expert are not warranted.

Audit Committee and Charter

We have a separately-designated audit committee of the board. Audit committee functions are performed by our board of directors. None of our directors are deemed independent. All directors also hold positions as our officers. Our audit committee is responsible for: (1) selection and oversight of our independent accountant; (2) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters; (3) establishing procedures for the confidential, anonymous submission by our employees of concerns regarding accounting and auditing matters; (4) engaging outside advisors; and, (5) funding for the outside auditory and any outside advisors engagement by the audit committee. A copy of the audit committee charter is filed as Exhibit 99.2 to this report.

Code of Ethics

We have adopted a corporate code of ethics. We believe our code of ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code. A copy of the code of ethics is filed as Exhibit 14.1 to this report.

Disclosure Committee and Charter

We have a disclosure committee and disclosure committee charter. Our disclosure committee is comprised of all of our officers and directors. The purpose of the committee is to provide assistance to the Chief Executive Officer and the Chief Financial Officer in fulfilling their responsibilities regarding the identification and disclosure of material information about us and the accuracy, completeness and timeliness of our financial reports. A copy of the disclosure committee charter is filed as Exhibit 99.3 to this report.

Section 16(a) of the Securities Exchange Act of 1934

As of the date of this report, we are not subject to section 16(a) of the Securities Exchange Act of 1934.

ITEM 11. EXECUTIVE COMPENSATION.

The following table sets forth the compensation paid by us for the last three fiscal years ending November 30, 2010 for each of our officers. This information includes the dollar value of base salaries, bonus awards and number of stock options granted, and certain other compensation, if any. The compensation discussed addresses all compensation awarded to, earned by, or paid or named executive officers.

Executive Officer Compensation Table

Name and Principal Position (a)	Year (b)	Salary (US\$) (c)	Bonus (US\$) (d)	Stock Awards (US\$) (e)	Option Awards (US\$) (f)	Non-Equity Incentive Plan Compensation (US\$) (g)	Nonqualified Deferred Compensation Earnings (US\$) (h)	All Other Compensation (US\$) (i)	Total (US\$) (j)
Richard Clarke President & CEO	2010	0	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0	0
T. C. Tan CFO & Treasurer	2010	0	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0	0

We have no employment agreements with any of our officers. We do not contemplate entering into any employment agreements until such time as we begin profitable operations.

The compensation discussed herein addresses all compensation awarded to, earned by, or paid to our named executive officers.

There are no other stock option plans, retirement, pension, or profit sharing plans for the benefit of our officers and directors other than as described herein.

Compensation of Directors

The members of our board of directors are not compensated for their services as directors. The board has not implemented a plan to award options to any directors. There are no contractual arrangements with any member of the board of directors. We have no director's service contracts. The following table sets forth compensation paid to our directors from inception on October 15, 2009 to our year end on November 30, 2010. Since that time, we have not paid any compensation to Mr. Clarke or Ms. Lim as a director.

Director's Compensation Table

Name (a)	Fees Earned or Paid in Cash (US\$) (b)	Stock Awards (US\$) (c)	Option Awards (US\$) (d)	Non-Equity Incentive Plan Compensation (US\$) (e)	Nonqualified Deferred Compensation Earnings (US\$) (f)	All Other Compensation (US\$) (g)	Total (US\$) (h)
Richard Clarke	0	0	0	0	0	0	0
Cherry Ping-Wai Lim	0	0	0	0	0	0	0

Long-Term Incentive Plan Awards

We do not have any long-term incentive plans that provide compensation intended to serve as incentive for performance.

Indemnification

Under our Articles of Incorporation and Bylaws of the corporation, we may indemnify an officer or director who is made a party to any proceeding, including a lawsuit, because of his position, if he acted in good faith and in a manner he reasonably believed to be in our best interest. We may advance expenses incurred in defending a proceeding. To the extent that the officer or director is successful on the merits in a proceeding as to which he is to be indemnified, we must indemnify him against all expenses incurred, including attorney's fees. With respect to a derivative action, indemnity may be made only for expenses actually and reasonably incurred in defending the proceeding, and if the officer or director is judged liable, only by a court order. The indemnification is intended to be to the fullest extent permitted by the laws of the State of Nevada.

Regarding indemnification for liabilities arising under the Securities Act of 1933, which may be permitted to directors or officers under Nevada law, we are informed that, in the opinion of the Securities and Exchange Commission, indemnification is against public policy, as expressed in the Act and is, therefore, unenforceable.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table sets forth, as of the date of this report, the total number of shares owned beneficially by our sole director, officer and key employee, individually and as a group, and the present owner of 5% or more of our total outstanding shares. The stockholder listed below has direct ownership of his/her shares and possess voting and dispositive power with respect to the shares.

Name and Address Beneficial Owner	Number of Shares	Percentage of Ownership
Richard Clarke [1] 1524, 10 Charter Road Central Hong Kong	7,500,000	47.36%
Cherry Ping-Wai Lim [1] 16F, North Point Terrace North Point Hong Kong	7,500,000	47.36%
T.C. Tan 99 Robertson Quay #18-13 238258 Singapore	0	0.00%
All officers and directors as a group (3 individuals)	15,000,000	94.72%

[1] Title to the common stock is held in the name of 7bridge Capital Management Limited which is owned entirely by 7bridge Capital Partners Limited which is co-owned by Mr. Clarke and Ms. Lim.

Messrs. Clarke and Tan and Ms. Lim are our only promoters.

Future sales by existing stockholders

A total of 15,000,000 shares of common stock were issued to 7bridge Capital Management Limited, a company indirectly owned by our directors, all of which are restricted securities, as defined in Rule 144 of the Rules and Regulations of the SEC promulgated under the Securities Act. Under Rule 144, the shares can be publicly sold by affiliates, subject to volume restrictions and restrictions on the manner of sale, commencing six months after their acquisition, provided the Company was not a shell company when the shares were issued or prior thereto. A shell company is a corporation with no or nominal assets or its assets consist solely of cash and no or nominal operations. Accordingly, 7bridge Capital Management Limited, our majority shareholder, may not resell its shares under Rule 144 of the Act for a period on one year from the date we are no longer a shell company and we have filed a Form 8-K with the SEC and disclosed the information required by Item 5.06 thereof.

There is no public trading market for our common stock. There are no outstanding options or warrants to purchase, or securities convertible into, our common stock. There are 52 holders of record for our common stock.

ITEM 13. CERTAIN RELATIONSHIPS, RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE.

On October 15, 2009, we issued a total of 15,000,000 shares of restricted common stock to 7bridge Capital Management Limited for \$15,000. 7bridge Capital Management Limited is indirectly owned and controlled by Richard Clarke, our president and a director, and by Cherry Ping-Wai Lim, one of our directors.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.**(1) Audit Fees**

The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for our audit of annual financial statements and review of financial statements included in our Form 10-Qs or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years was:

2010	\$	3,200	MaloneBailey, LLP
2009	\$	2,500	MaloneBailey, LLP

(2) Audit-Related Fees

The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountants that are reasonably related to the performance of the audit or review of our financial statements and are not reported in the preceding paragraph:

2010	\$	0	MaloneBailey, LLP
2009	\$	0	MaloneBailey, LLP

(3) Tax Fees

The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning was:

2010	\$	0	MaloneBailey, LLP
2009	\$	0	MaloneBailey, LLP

(4) All Other Fees

The aggregate fees billed in each of the last two fiscal years for the products and services provided by the principal accountant, other than the services reported in paragraphs (1), (2), and (3) was:

2010	\$	0	MaloneBailey, LLP
2009	\$	0	MaloneBailey, LLP

(5) Our audit committee's pre-approval policies and procedures described in paragraph (c)(7)(i) of Rule 2-01 of Regulation S-X were that the audit committee pre-approve all accounting related activities prior to the performance of any services by any accountant or auditor.

(6) The percentage of hours expended on the principal accountant's engagement to audit our financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full time, permanent employees was 0%.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

Exhibit	Document Description	Incorporated by reference			Filed herewith
		Form	Date	Number	
3.1	Articles of Incorporation.	S-1	1/28/10	3.1	
3.2	Bylaws.	S-1	1/28/10	3.2	
4.1	Specimen Stock Certificate.	S-1	1/28/10	4.1	
14.1	Code of Ethics.				X
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
99.2	Audit Committee Charter.				X
99.3	Disclosure Committee Charter.				X

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing of this Form 10-K and has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 25th day of February, 2011.

SURNA INC.
(the “**Registrant**”)

BY: RICHARD CLARKE
Richard Clarke
President, Principal Executive Officer, Secretary and a member of
the Board of Directors

BY: T. C. TAN
T. C. Tan
Principal Financial Officer, Principal Accounting Officer,
Treasurer and a member of the Board of Directors

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

Signature	Title	Date
<u>RICHARD CLARKE</u> Richard Clarke	President, Principal Executive Officer, Secretary, and a member of the Board of Directors	February 25, 2011
<u>T. C. TAN</u> T. C. Tan	Principal Financial Officer, Principal Accounting Officer, Treasurer and a member of the Board Directors	February 25, 2011
<u>CHERRY PING-WAI LIM</u> Cherry Ping- Wai Lim	Member of the Board of Directors	February 25, 2011

EXHIBIT INDEX

Exhibit	Document Description	Incorporated by reference			Filed herewith
		Form	Date	Number	
3.1	Articles of Incorporation.	S-1	1/28/10	3.1	
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4.1	Specimen Stock Certificate.	S-1	1/28/10	4.1	
14.1	Code of Ethics.				X
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
99.2	Audit Committee Charter.				X
99.3	Disclosure Committee Charter.				X

SURNA INC.

CODE OF ETHICS

TOPICS

1. Statement of Policy
2. Implementation and Enforcement
3. Relations with Competitors and Other Third Parties
4. Insider Trading, Securities Compliance and Public Statements
5. Financial Reporting
6. Human Resources
7. Environmental, Health and Safety
8. Conflicts of Interest
9. International Trade
10. Government Relations
11. Contractors, Consultants, and Temporary Workers
12. Conclusion

1. STATEMENT OF POLICY

The Company has adopted eight Corporate Values (Focus, Respect, Excellence, Accountability, Teamwork, Integrity, Very Open Communications and Enjoying Our Work) to provide a framework for all employees in conducting ourselves in our jobs. These policies are not intended to substitute for those Values, but will serve as guidelines in helping you to conduct the Company's business in accordance with our Values. Compliance requires meeting the spirit, as well as the literal meaning, of the law, the policies and the Values. It is expected that you will use common sense, good judgment, high ethical standards and integrity in all your business dealings.

If you encounter a situation you are not able to resolve by reference to these policies, ask for help. Contact Richard Clarke, Chief Executive Officer, who has been identified as responsible for overseeing compliance with these policies.

Violations of the law or the Company's policies will subject employees to disciplinary action, up to and including termination of employment. In addition, individuals involved may subject themselves and the Company to severe penalties including fines and possible imprisonment. Compliance with the law and high ethical standards in the conduct of Company business should be a top priority for each employee, officer and director.

2. IMPLEMENTATION AND ENFORCEMENT

Richard Clarke, our Chief Executive Officer, has been appointed as Compliance Officer of the Company, responsible for overseeing compliance with, and enforcement of, all Company policies.

Employees are expected to be familiar with these policies as they apply to their duties. They should consult with their managers if they need assistance in understanding or interpreting these policies. Each employee is required to follow these policies and to comply with their terms. A refusal by any employee to agree to be bound by these policies shall be grounds for discipline up to and including dismissal.

Any employee who, in good faith, has reason to believe a Company operation or activity is in violation of the law or of these policies must call the matter to the attention of Richard Clarke, our Chief Executive Officer. All reports will be reviewed and investigated and as necessary under the circumstances, and the reporting employee should provide sufficient information to enable a complete investigation to be undertaken.

Any employee who makes an allegation in good faith reasonably believing that a person has violated these policies or the law, will be protected against retaliation.

3. RELATIONS WITH COMPETITORS AND OTHER THIRD PARTIES

The Company's policy is to comply fully with competition and antitrust laws throughout the world. These laws generally prohibit companies from using illegal means to maintain, obtain or attempt to obtain a monopoly in a market. They also prohibit companies from engaging in unfair trade practices. "*Unfair trade practices*" include fixing prices, dividing markets, agreeing with competitors not to compete, or agreeing to boycott certain customers. It is advised that you consult with the Richard Clarke before attending a meeting with a party who may be viewed as a competitor.

4. INSIDER TRADING, SECURITIES COMPLIANCE AND PUBLIC STATEMENTS

Securities laws prohibit anyone who is in possession of material, non-public information ("Insider Information") about a company from purchasing or selling stock of that company, or communicating the information to others. Information is considered "material" if a reasonable investor would consider it to be important in making a decision to buy or sell that stock. Some examples include financial results and projections, new products, acquisitions, major new contracts or alliances prior to the time that they are publicly announced. Employees who become aware of such Inside Information about the Company must refrain from trading in the shares of the Company until the Inside Information is publicly announced.

Employees must also refrain from disclosing that information to persons who do not have a Company need to know, whether they are inside the Company or outside, such as spouses, relatives or friends.

The Company makes regular formal disclosures of its financial performance and results of operations to the investment community. We also regularly issue press releases. Other than those public statements, which go through official Company channels, employees are prohibited from communicating outside the Company about the Company's business, financial performance or future prospects. Such communications include questions from securities analysts, reporters or other news media, but also include seemingly innocent discussions with family, friends, neighbors or acquaintances.

5. FINANCIAL REPORTING

The Company is required to maintain a variety of records for purposes of reporting to the government. The Company requires all employees to maintain full compliance with applicable laws and regulations requiring that its books of account and records be accurately maintained. Specifics of these requirements are available from Richard Clarke.

6. HUMAN RESOURCES

The Company is committed to providing a work environment that is free from unlawful harassment and discrimination, and respects the dignity of its employees. The Company has policies covering various aspects of its relationship with its employees, as well as employees' relationships with each other. For more detailed information, you should consult Richard Clarke. Each employee is expected to be familiar with these policies and to abide by them.

7. ENVIRONMENTAL, HEALTH AND SAFETY

The Company is committed to protecting the health and safety of our employees, as well as the environment in general. The Company expects employees to obey all laws and regulations designed to protect the environment, and the health and safety of our employees, and to obtain and fully observe all permits necessary to do business.

At the very least, all employees should be familiar with and comply with safety regulations applicable to their work areas. The Company will make, to the extent possible, reasonable accommodations for the known physical or mental limitations of our employees. Employees who require an accommodation should contact Richard Clarke. The Company will then engage in an interactive process to determine what reasonable accommodations may exist.

8. CONFLICTS OF INTEREST

Each employee is expected to avoid any activity, investment or association that interferes with the independent exercise of his or her judgment in the Company's best interests ("Conflicts of Interest"). Conflicts of Interest can arise in many situations. They occur most often in cases where the employee or the employee's family obtains some personal benefit at the expense of the Company's best interests.

No employee, or any member of employee's immediate family, shall accept money, gifts of other than nominal value, unusual entertainment, loans, or any other preferential treatment from any customer or supplier of the Company where any obligation may be incurred or implied on the giver or the receiver or where the intent is to prejudice the recipient in favor of the provider. Likewise, no employee shall give money, gifts of other than nominal value, unusual entertainment or preferential treatment to any customer or supplier of the Company, or any employee or family members thereof, where any obligation might be incurred or implied, or where the intent is to prejudice the recipient in favor of the Company. No such persons shall solicit or accept kickbacks, whether in the form of money, goods, services or otherwise, as a means of influencing or rewarding any decision or action taken by a foreign or domestic vendor, customer, business partner, government employee or other person whose position may affect the Company's business.

No employee shall use Company property, services, equipment or business for personal gain or benefit.

Employees may not: (1) act on behalf of, or own a substantial interest in, any company or firm that does business, or competes, with the Company; (2) conduct business on behalf of the Company with any company or firm in which the employee or a family member has a substantial interest or affiliation. Exceptions require advance written approval from the Legal Department.

Employees should not create the appearance that they are personally benefitting in any outside endeavor as a result of their employment by the Company, or that the Company is benefitting by reason of their outside interests. Any employee who is not sure whether a proposed action would present a conflict of interest or appear unethical should consult with Richard Clarke.

9. INTERNATIONAL TRADE

The Company must comply with a variety of laws around the world regarding its activities. In some cases, the law prohibits the disclosure of information, whether the disclosure occurs within the U.S. or elsewhere, and whether or not the disclosure is in writing.

Payments or gifts to non-U.S. government officials are prohibited by law and by Company policy. The Foreign Corrupt Practices Act precludes payments to non-U.S. government officials for the purpose of obtaining or retaining business, even if the payment is customary in that country. This law applies anywhere in the world to U.S. citizens, nationals, residents, businesses or employees of U.S. businesses. Because Surna Inc. is a U.S. company, this law applies to the Company and all of its subsidiaries. Any questions on this policy should be directed to Richard Clarke.

10. GOVERNMENT RELATIONS

The Company is prohibited by law from making any contributions or expenditures in connection with any U.S. national election. This includes virtually any activity that furnishes something of value to an election campaign for a federal office. Use of the Company's name in supporting any political position or ballot measure, or in seeking the assistance of any elected representative, requires the specific approval of the Chairman and Chief Executive Officer of the Company. Political contributions or expenditures are not to be made out of Company funds in any foreign country, even if permitted by local law, without the consent of the Company's Chairman and Chief Executive Officer.

U.S. law also prohibits giving, offering, or promising anything of value to any public official in the U.S. or any foreign country to influence any official act, or to cause an official to commit or omit any act in violation of his or her lawful duty. Company employees are expected to comply with these laws.

11. VENDORS, CONTRACTORS, CONSULTANTS AND TEMPORARY WORKERS

Vendors, contractors, consultants or temporary workers who are acting on the Company's behalf, or on Company property, are expected to follow the law, Company policies and honor Company Values. Violations will subject the person or firm to sanctions up to and including loss of the contract, contracting or consulting agreement, or discharge from temporary assignment.

12. CONCLUSION

This Code of Ethics is not intended to cover every possible situation in which you may find yourself. It is meant to give you the boundaries within which the Company expects you to conduct yourself while representing Surna Inc. You may find yourself in a situation where there is no clear guidance given by this Code of Ethics. If that occurs, return to the foundations stated earlier: common sense, good judgment, high ethical standards and integrity. And refer to the Company's Values. In addition, there are many resources upon which you may rely: your management chain, Human Resources, Legal or other Surna Inc. departments, and the CEO. Together we can continue to make Surna Inc. a company that sets a standard for managing real estate companies.

Employee

SURNA INC.
VALUES

FOCUS We exist only because we are developing software products and associated websites (surna.com and surna.org).

RESPECT We value all people, treating them with dignity at all times.

EXCELLENCE We strive for “Best in Class” in everything we do.

ACCOUNTABILITY We do what we say we will do and expect the same from others.

TEAMWORK We believe that cooperative action produces superior results.

INTEGRITY We are honest with ourselves, each other, our customers, our partners and our shareholders

VERY OPEN COMMUNICATION We share information, ask for feedback, acknowledge good work, and encourage diverse ideas.

ENJOYING OUR WORK We work hard, are rewarded for it, and maintain a good sense of perspective, humor and enthusiasm.

Reportable Violations - Anonymous Reporting Program

Accounting Error
Accounting Omissions
Accounting Misrepresentations
Auditing Matters
Compliance/Regulation Violations
Corporate Scandal
Domestic Violence
Discrimination
Embezzlement
Environmental Damage
Ethics Violation
Fraud
Harassment
Industrial Accidents
Misconduct
Mistreatment
Poor Customer Service
Poor Housekeeping
Sabotage
Securities Violation
Sexual Harassment
Substance Abuse
Theft
Threat of Violence
Unfair Labor Practice
Unsafe Working Conditions
Vandalism
Waste
Waste of Time and Resources
Workplace Violence

SARBANES-OXLEY SECTION 302(a) CERTIFICATION

I, **Richard Clarke**, certify that:

1. I have reviewed this **Form 10-K for the period ended November 30, 2010** of **Surna Inc.**;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and,
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the 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; and
5. The registrant's other certifying officer 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.

Date: February 25, 2011

RICHARD CLARKE
Richard Clarke
Principal Executive Officer

SARBANES-OXLEY SECTION 302(a) CERTIFICATION

I, **T. C. Tan**, certify that:

1. I have reviewed this **Form 10-K for the year ended November 30, 2010** of **Surna Inc.**;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and,
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the 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; and
5. The registrant's other certifying officer 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.

Date: February 25, 2011

T.C. TAN
T. C. Tan
Principal Financial Officer

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

In connection with the Annual Report of **Surna Inc.** (the “Company”) on **Form 10-K for the year ended November 30, 2010**, as filed with the Securities and Exchange Commission on the date here of (the “report”), I, **Richard Clarke**, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 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 this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated this 25th day of February, 2011.

RICHARD CLARKE
Richard Clarke
Chief Executive Officer

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

In connection with the Annual Report of **Surna Inc.** (the "Company") on **Form 10-K for the year ended November 30, 2010**, as filed with the Securities and Exchange Commission on the date here of (the "report"), I, **T. C. Tan**, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 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 this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated this 25th day of February, 2011.

T.C. TAN
T. C. Tan
Chief Financial Officer

SURNA INC.

CHARTER - AUDIT COMMITTEE

Committee Role

The committee's role is to act on behalf of the board of directors and oversee all material aspects of the company's reporting, control, and audit functions, except those specifically related to the responsibilities of another standing committee of the board. The audit committee's role includes a particular focus on the qualitative aspects of financial reporting to shareholders and on company processes for the management of business/financial risk and for compliance with significant applicable legal, ethical, and regulatory requirements.

In addition, the committee is responsible for: (1) selection and oversight of our independent accountant; (2) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters; (3) establishing procedures for the confidential, anonymous submission by our employees of concerns regarding accounting and auditing matters; (4) establishing internal financial controls; (5) engaging outside advisors; and, (6) funding for the outside auditor and any outside advisors engagement by the audit committee.

The role also includes coordination with other board committees and maintenance of strong, positive working relationships with management, external and internal auditors, counsel, and other committee advisors.

Committee Membership

The committee shall consist of the entire board directors. The committee shall have access to its own counsel and other advisors at the committee's sole discretion.

Committee Operating Principles

The committee shall fulfill its responsibilities within the context of the following overriding principles:

- (1) Communications - The chairperson and others on the committee shall, to the extent appropriate, have contact throughout the year with senior management, other committee chairpersons, and other key committee advisors, external and internal auditors, etc., as applicable, to strengthen the committee's knowledge of relevant current and prospective business issues.

- (2) Committee Education/Orientation - The committee, with management, shall develop and participate in a process for review of important financial and operating topics that present potential significant risk to the company. Additionally, individual committee members are encouraged to participate in relevant and appropriate self-study education to assure understanding of the business and environment in which the company operates.
- (3) Annual Plan - The committee, with input from management and other key committee advisors, shall develop an annual plan responsive to the "primary committee responsibilities" detailed herein. The annual plan shall be reviewed and approved by the full board.
- (4) Meeting Agenda - Committee meeting agendas shall be the responsibility of the committee chairperson, with input from committee members. It is expected that the chairperson would also ask for management and key committee advisors, and perhaps others, to participate in this process.
- (5) Committee Expectations and Information Needs - The committee shall communicate committee expectations and the nature, timing, and extent of committee information needs to management, internal audit, and external parties, including external auditors. Written materials, including key performance indicators and measures related to key business and financial risks, shall be received from management, auditors, and others at least one week in advance of meeting dates. Meeting conduct will assume board members have reviewed written materials in sufficient depth to participate in committee/board dialogue.
- (6) External Resources -The committee shall be authorized to access internal and external resources, as the committee requires, to carry out its responsibilities.
- (7) Committee Meeting Attendees - The committee shall request members of management, counsel, internal audit, and external auditors, as applicable, to participate in committee meetings, as necessary, to carry out the committee responsibilities. Periodically and at least annually, the committee shall meet in private session with only the committee members. It shall be understood that either internal or external auditors, or counsel, may, at any time, request a meeting with the audit committee or committee chairperson with or without management attendance. In any case, the committee shall meet in executive session separately with internal and external auditors, at least annually.
- (8) Reporting to the Board of Directors - The committee, through the committee chairperson, shall report periodically, as deemed necessary, but at least semi-annually, to the full board. In addition, summarized minutes from committee meetings, separately identifying monitoring activities from approvals, shall be available to each board member at least one week prior to the subsequent board of directors meeting.

- (9) Committee Self Assessment - The committee shall review, discuss, and assess its own performance as well as the committee role and responsibilities, seeking input from senior management, the full board, and others. Changes in role and/or responsibilities, if any, shall be recommended to the full board for approval.

Meeting Frequency

The committee shall meet at least three times quarterly. Additional meetings shall be scheduled as considered necessary by the committee or chairperson,

Reporting to Shareholders

The committee shall make available to shareholders a summary report on the scope of its activities. This may be identical to the report that appears in the company's annual report.

Committee's Relationship with External and Internal Auditors

- (1) The external auditors, in their capacity as independent public accountants, shall be responsible to the board of directors and the audit committee as representatives of the shareholders.
- (2) As the external auditors review financial reports, they will be reporting to the audit committee. They shall report all relevant issues to the committee responsive to agreed-on committee expectations. In executing its oversight role, the board or committee should review the work of external auditors.
- (3) The committee shall annually review the performance (effectiveness, objectivity, and independence) of the external and internal auditors. The committee shall ensure receipt of a formal written statement from the external auditors consistent with standards set by the Independent Standards Board and the Securities and Exchange Commission. Additionally, the committee shall discuss with the auditor relationships or services that may affect auditor objectivity or independence. If the committee is not satisfied with the auditors' assurances of independence, it shall take or recommend to the full board appropriate action to ensure the independence of the external auditor.
- (4) The internal audit function shall be responsible to the board of directors through the committee.
- (5) If either the internal or the external auditors identify significant issues relative to the overall board responsibility that have been communicated to management but, in their judgment, have not been adequately addressed, they should communicate these issues to the committee chairperson.
- (6) Changes in the directors of internal audit or corporate compliance shall be subject to committee approval.

Primary Committee Responsibilities

Monitor Financial Reporting and Risk Control Related Matters

The committee should review and assess:

- (1) Risk Management - The company's business risk management process, including the adequacy of the company's overall control environment and controls in selected areas representing significant financial and business risk.
- (2) Annual Reports and Other Major Regulatory Filings - All major financial reports in advance of filings or distribution.
- (3) Internal Controls and Regulatory Compliance - The company's system of internal controls for detecting accounting and reporting financial errors, fraud and defalcations, legal violations, and noncompliance with the corporate code of conduct.
- (4) Internal Audit Responsibilities - The annual audit plan and the process used to develop the plan. Status of activities, significant findings, recommendations, and management's response.
- (5) Regulatory Examinations - SEC inquiries and the results of examinations by other regulatory authorities in terms of important findings, recommendations, and management's response.
- (6) External Audit Responsibilities - Auditor independence and the overall scope and focus of the annual/interim audit, including the scope and level of involvement with unaudited quarterly or other interim-period information.
- (7) Financial Reporting and Controls - Key financial statement issues and risks, their impact or potential effect on reported financial information, the processes used by management to address such matters, related auditor views, and the basis for audit conclusions. Important conclusions on interim and/or year-end audit work in advance of the public release of financials.
- (8) Auditor Recommendations - Important internal and external auditor recommendations on financial reporting, controls, other matters, and management's response. The views of management and auditors on the overall quality of annual and interim financial reporting.

The committee should review, assess, and approve:

- (1) The code of ethical conduct.
- (2) Changes in important accounting principles and the application thereof in both interim in and annual financial reports.

- (3) Significant conflicts of interest and related-party transactions.
- (4) External auditor performance and changes in external audit firm (subject to ratification by the full board).
- (5) Internal auditor performance and changes in internal audit leadership and/or key financial management.
- (6) Procedures for whistle blowers.
- (7) Pre-approve allowable services to be provided by the auditor.
- (8) Retention of complaints.

SURNA INC.

DISCLOSURE COMMITTEE

CHARTER

Disclosure Policy

All financial disclosures made by the Corporation to its security holders or the investment community should (i) be accurate, complete and timely, (ii) fairly present, in all material respects, the Corporation's financial condition, results of operations and cash flows, and (iii) meet any other legal, regulatory or stock exchange requirements.

Committee Purpose

The Corporation's Disclosure Committee (the "Committee") shall assist the Corporation's officers and directors (collectively, the "Senior Officers") fulfilling the Corporation's and their responsibilities regarding (i) the identification and disclosure of material information about the Corporation and (ii) the accuracy, completeness and timeliness of the Corporation's financial reports.

Responsibilities

Subject to the supervision and oversight of Senior Officers, the Committee shall be responsible for the following tasks:

- Review and, as necessary, help revise the Corporation's controls and other procedures ("Disclosure Controls and Procedures") to ensure that (i) information required by the Corporation to be disclosed to the Securities and Exchange Commission (the "SEC"), and other written information that the Corporation will disclose to the public is recorded, processed, summarized and reported accurately and on a timely basis, and (ii) such information is accumulated and communicated to management, including the Senior Officers, as appropriate to allow timely decisions regarding required disclosure.
- Assist in documenting, and monitoring the integrity and evaluating the effectiveness of, the Disclosure Controls and Procedures.
- Review the Corporation's (i) Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, proxy statement, material registration statements, and any other information filed with the SEC (collectively, the "Reports"), (ii) press releases containing financial information, earnings guidance, forward-looking statements, information about material transactions, or other information material to the Corporation's security holders, (iii) correspondence broadly disseminated to shareholders, and (iv) other relevant communications or presentations (collectively, the "Disclosure Statements").

- Discuss information relative to the Committee’s responsibilities and proceedings, including (i) the preparation of the Disclosure Statements and (ii) the evaluation of the effectiveness of the Disclosure Controls and Procedures.

Other Responsibilities

The Committee shall have such other responsibilities, consistent with the Committee’s purpose, as any Senior Officer may assign to it from time to time.

Disclosure Control Considerations

The Committee shall base the review and revision of the Disclosure Controls and Procedures on the following factors:

- *Control Environment:* The directives of the Board and Audit Committee; the integrity and ethical values of the Corporation’s officers and employees, including the “tone at the top”; the Corporation’s Code of Conduct; and the philosophy and operating style of management, including how employees are organized and how authority is delegated.
- *Risk Assessment:* The identification and analysis of relevant risks to achieving the goal of accurate and timely disclosure, forming a basis for determining how the risks should be managed.
- *Control Activities:* The procedures to ensure that necessary actions are taken to address and handle risks to achievement of objectives.
- *Information and Communication:* The accumulation, delivery and communication of financial information throughout (i.e., up, down and across) the organization.
- *Monitoring:* The assessment of the quality of the financial reporting systems over time through ongoing monitoring and separate evaluations, including through regular management supervision and reporting of deficiencies upstream.

Organization

The members of the Committee will be comprised of the Corporation’s officers and directors.

The Committee may designate two or more individuals, at least one of whom shall be knowledgeable about financial reporting and another about law, who can, acting together, review Disclosure Statements when time does not permit full Committee review.

The Senior Officers at their option may, at any time and from time to time, assume any or all of the responsibilities of the Disclosure Committee identified in this Charter, including, for example, approving Disclosure Statements when time does not permit the full Committee (or the designated individuals) to meet or act.

Chair

The Chief Financial Officer of the Corporation shall act as the Chair of the Committee (unless and until another member of the Committee shall be so appointed by any Senior Officer).

Meetings and Procedures

The Committee shall meet or act as frequently and as formally or informally as circumstances dictate to (i) ensure the accuracy, completeness and timeliness of the Disclosure Statements and (ii) evaluate the Disclosure Controls and Procedures and determine whether any changes to the Disclosure Controls and Procedures are necessary or advisable in connection with the preparation of the Reports or other Disclosure Statements, taking into account developments since the most recent evaluation, including material changes in the Corporation's organization and business lines and any material change in economic or industry conditions.

The Committee shall adopt, whether formally or informally, such procedures as it deems necessary to facilitate the fulfillment of its responsibilities.

Full Access

The Committee shall have full access to all of Corporation's books, records, assets, facilities and personnel, including the internal auditors, in connection with fulfilling its responsibilities.

Charter Review

The Committee shall review and assess this Charter annually, and recommend any proposed changes to the Senior Officers for approval.

Interpretation

Any questions of interpretation regarding this Charter, or the Committee's responsibilities or procedures, shall be determined initially by the Chair and, to the extent necessary, ultimately by the Senior Officers.

