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WAYS INC.
(A Development Stage Company)

Financial Statements
for year ended
December 31, 1999

ART - BB - 15



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PANNELL
KERR
FORSTER PC

Certified Public Accountants

420 Lexington Avenue
New York, NY 10170

Telephone (212) 867-8000
Telefax (212) 687-4346

Independent Auditor's Report

Board of Directors and Stockholders

We have audited the accompanying balance sheet of Ways Inc. (a development stage company) as of December 31, 1999, and the related statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Ways Inc. (a development stage company) at December 31, 1999, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in note 1 to the financial statements, the Company is a development stage company and has incurred net losses since inception which raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Pannell Ken Forster PC

June 8, 2000

WAYS INC.
(A Development Stage Company)

Statement of Operations
December 31, 1999

Expenses		
Professional fees	\$	54,180
Consulting fees		1,200
Bank fees		<u>470</u>
Total expenses		<u>55,850</u>
Net (loss) during the development period	\$	<u>(55,850)</u>

See notes to financial statements

WAYS INC.
(A Development Stage Company)

Statement of Cash Flows
For Year Ended December 31, 1999

Cash flows from operating activities	
Net (loss) during the development period	\$ (55,850)
Adjustments to reconcile net (loss) during the development period to net cash used by operating activities	
Changes in assets and liabilities	
Prepaid expenses	(6,465)
Accounts payable and accrued expenses	<u>5,950</u>
Net cash (used) by operating activities	(56,365)
Cash flows provided by financing activities	
Advances from related parties - net	<u>56,376</u>
Net increase in cash	11
Cash at beginning of year	<u>-</u>
Cash at end of year	<u>\$ 11</u>

See notes to financial statements

WAYS INC.
(A Development Stage Company)

Notes to Financial Statements
December 31, 1999

Note 1 - Organization and business

Ways Inc. (the "Company") was incorporated under the laws of the State of Delaware on December 21, 1998. The Company plans to operate in the business of developing internet-based computer software. Management currently anticipates operations will commence in the year 2001.

Going concern

The Company is in the development stage and has not yet commenced revenue producing activities. Operating costs through December 31, 1999 approximated \$56,000. The Company has funded these operations through cash advances received from related entities. Management anticipates that these related entities will continue to advance funds, as needed, to sustain future operations.

There is no assurance that profitable operations will be achieved or that additional financing will be obtained which raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not reflect any adjustments that might be necessary should the Company be unable to continue in existence.

Note 2 - Summary of significant accounting policies

Basis of presentation

The Company prepares its financial statements in conformity with accounting principles generally accepted in the United States.

Use of estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Fair value of financial instruments

The carrying amounts of the Company's financial instruments, including cash, accounts payable and accrued expenses approximates fair values. The Company cannot evaluate the fair value of its advances from related parties due to the nature of the related party transactions and the fact that no similar market exists for the instrument.

Income taxes

The Company was incorporated in the State of Delaware and is required to file federal and local income tax returns in the United States. At December 31, 1999 the Company had available operating loss carryforwards of approximately \$56,000 which expire in the year 2019. Because the future utilization of these tax carryforward losses is uncertain, a valuation allowance has been provided to offset the deferred tax asset account.

WAYS INC.
(A Development Stage Company)

Notes to Financial Statements (continued)
December 31, 1999

Note 3 - Advances payable - related entities

The Company has received cash advances from related parties, which have been used to fund operating costs. The advances are non-interest bearing and repayable on demand. These advances due (to) from related entities are summarized as follows:

Ways Inc. - Mumbai	\$	243,200
Discover Investments		(1,200)
Euro Offshore Investments		<u>(298,276)</u>
	\$	<u>(56,276)</u>

Page NO - 1 to 7

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WAYS INC.
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for year ended
December 31, 1999

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Pannell Ken Forster PC

June 8, 2000

WAYS INC.
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Balance Sheet
December 31, 1999

Assets

Cash	\$	11
Prepaid expense		<u>6,465</u>
Total assets	\$	<u>6,476</u>

Liabilities and Stockholders' (Deficit)

Liabilities

Accounts payable and accrued expenses	\$	5,950
Advances payable - related entities		<u>56,276</u>
Total liabilities		<u>66,226</u>

Stockholders' (deficit)

Common stock - 5,000,100 shares authorized, issued and outstanding \$.01 par value per share		50,001
Additional paid-in capital		4,950,099
Subscription receivable		(5,000,000)
(Deficit) accumulated during the development stage		<u>(55,850)</u>
Total stockholders' (deficit)		<u>(55,750)</u>

Total liabilities and stockholders' (deficit)	\$	<u>6,476</u>
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See notes to financial statements

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December 31, 1999

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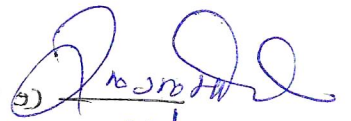
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Page No- 1 to 6

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