W TECHNOLOGIES, INC.

Financial Statements

July 31, 2014

W TECHNOLOGIES, INC.

BALANCE SHEETS
(UNAUDITED)

	July 31, 2014	July 31, 2013
ASSETS		
Current Assets		
Cash	$ -	$ -
Inventory	30,000	-
Security deposit	-	-
Total Current Assets	30,000	-
Goodwill	2,900,000	2,900,000
Investments	1,200,000	1,200,000
Total Assets	$ 4,130,000	$ 4,100,000
LIABILITIES AND STOCKHOLERS' EQUITY (DEFICIT)		
Long Term Liabilities:		
Accrued expenses	$ 30,000	$ 344,088
Notes payable	736,289	968,463
Total Liabilities	766,289	1,312,551
Stockholders' Equity:		
Preferred Stock-$0.0001 par value; 50,000,000 Authorized;		
Series A- 120,000,000 shares issued and outstanding	12	12
Series D-0 and-67 shares issued and outstanding	-	-
Series E-25,000,000 shares issued and outstanding	2.500	2,500
Common Stock-$.0.0001 par value, 750,000,000 shares authorized 63,283,070 and22,083,070shares issued and outstanding, respectively	6,328	2,208
Additional paid in capital	42,578,351	35,146,442
Treasury Stock	(50,250)	(50,250)
Accumulated Deficit	(39,173,230)	(32,313,463)
Total Stockholders' Equity (Deficit)	3,363,711	2,787,449
Total Liabilities and Stockholders' Equity (Deficit)	$ 4,130,000	$ 4,100,000

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

W TECHNOLOGIES, INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JULY 31,
(Unaudited)

	2014	2013
Revenue	$ -	$ 259
Gross Profit	-	259
Expenses		
Operational Costs	-	1,171
Professional Fees	40,983	46,910
General and Administrative	3,200	2,801
Stock for Services	673,550	840,000
Total operating expenses	717,733	890,882
Net loss from operations	$ (717,733)	$ (890,623)
Other (income) expenses		
Impairment	1,549,500	
Interest Expense	134,288	150,308
Forgiveness of Debt	(433,483)	
Financing Charge	4,891,729	
Total other (income) expense	6,142,034	
Net loss	(6,859,767)	(1,040,931)
Loss per share	$ (0.18)	$ (1.68)
Weighted average shares Outstanding	37,986,933	618,151

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

W TECHNOLOGIES, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31,
(Unaudited)

	2014	2013
Cash flows from operating activities:		
Net loss	$ (6,859,767)	$ (1,040,931)
Stock Issued	673,550	840,000
Adjustments to reconcile net loss to total cash used in operations: Inventory	(30,000)	
Interest Expense	134,288	150,308
Debt Forgiveness	(433,483)	
Loss on Impairment	1,549,500	
Loss on Debt Conversion	4,891,729	
Increase (Decrease) in accrued expenses	30,000	-
Net cash used in operating activities	(44,183)	(50,623)
Cash flows from investing activities:		
Investment (Net)	-	-
Net cash used by investing activities	-	-
Cash flows from financing activities:		
Issuance of Stock	-	-
Payment of Debt	-	-
Issuance of Long Term Debt	44,183	46,909
Net cash provided by financing activities	44,183	46,909
Net increase in cash	-	(3,714)
Cash at beginning of period	-	3,714
Cash at end of period	$ -	$ -
Supplemental disclosure of non cash activities:		
Cash paid for interest	$ -	$ -
Franchise and income taxes	$ -	$ -

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

W TECHNOLOGIES, INC.
UNAUDITED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (DEFICIT)
July 31, 2014

	Series A Preferred		Series B Preferred		Series C Preferred		Common Stock		Additional Paid-in			
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Treasury Stock	Deficit	Total
Balance August 1, 2012	120,000	$12	-	-	25,000,000	$2,500	68,670	7	32,436,643	(50,250)	$(31,272,532)	$1,116,380
Common Stock for Services							7,000,000	700	839,300			840,000
Shares issued for debt	-	-	-	-	-	-	14,400	1	71,999	-	-	72,000
Shares issued for acquisition	-	-	-	-	-	-	15,000,000	1,500	1,798,500	-	-	1,800,000
Net Loss for the year											(1,040,931)	(1,040,931)
Balance July 31, 2013	120,000	12	-	-	25,000,000	2,500	22,083,070	2,208	35,146,442	(50,250)	(32,313,463)	2,787,449
Common Stock for JV							10,000,000	1,000	1,548,500			1,549,500
Stock issued for Services							8,650,000	865	672,685			673,550
Shares issued for debt	-	-					12,250,000	1,225	4,817,404	-	-	4,818,629
Shares issued for debt	-	-					10,300,000	1,030	393,320		-	394,350
Net Loss for the Period											(6,859,767)	(6,859,767)
Balance July 31, 2014	120,000	$ 12	-	$ -	25,000,000	$ 2,500	63,283,070	6,328	$42,578,351	$(50,250)	$ (39,173,230)	$3,363,711

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

W TECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS
July 31, 2014

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

W Technologies, (the "Company") was incorporated in the State of Nevada in 1986 as IMSCO Technologies. In 2001 we changed our name to Global Sports and Entertainment, Inc. On August 22, 2002 we changed our name to GWIN, Inc. then on September 22, 2006 we changed our name to Winning Edge International, Inc. On October 2, 2007 we became W Technologies, Inc. The Company consists of itself and its wholly owned subsidiarIES, SoMo Technologies and AdMedia Group, Inc. The Company specializes in creating mobile and search engine optimized websites, landing pages and blogs which incorporate the latest in cutting edge social media and permission based SMS text message marketing techniques in a cost efficient and effective manner to drive revenue to their customer base.

NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented

Principles of Consolidation

The Company accounts include the financials of the Company and its wholly owned subsidiaries SoMo Technologies and Ad Media Inc. All intercompany transactions have been eliminated in consolidation.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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. Significant estimates include the estimated useful lives of property and equipment. Actual results could differ from those estimates.

Cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Fair value of financial instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses and accrued expenses approximate their fair value because of the short maturity of those instruments. The Company's notes payable approximate the fair value of such instruments based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at July 31, 2014.

The Company does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis.

Equipment

Equipment is recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation of equipment is computed by the straight-line method (after taking into account their respective estimated residual values) over the assets estimated useful life of three (3) or seven (7) years. Upon sale or retirement of equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

Inventory

Inventory consists of media equipment which are flat screen televisions used advertising valued at cost under the FIFO method of accounting.

Impairment of long-lived assets

The Company follows paragraph 360-10-05-4 of the FASB Accounting Standards Codification for its long-lived assets. The Company's long-lived assets, which includes computer equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company has evaluated the intangible asset and has determined at July 31, 2014 that no impairment is required.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Revenue recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

Income taxes

The Company follows Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the fiscal year in which the differences are expected to reverse.Deferred tax assets are reduced by a valuation allowance to the extent management concludes it ismore likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the fiscal years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statements of Income and Comprehensive Income in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25") with regards to uncertainty income taxes. Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

Net income (loss)per common share

Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period. The weighted average number of common shares outstanding and potentially outstanding common shares assumes that the Company incorporated as of the beginning of the first period presented.

There were no potentially dilutive shares outstanding as of July 31, 2014.

Cash flows reporting

The Company adopted paragraph 230-10-45-24 of the FASB Accounting Standards Codification for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method

("Indirect method") as defined by paragraph 230-10-45-25 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments. The Company reports the reporting currency equivalent of foreign currency cash flows, using the current exchange rate at the time of the cash flows and the effect of exchange rate changes on cash held in foreign currencies is reported as a separate item in the reconciliation of beginning and ending balances of cash and cash equivalents and separately provides information about investing and financing activities not resulting in cash receipts or payments in the period pursuant to paragraph 830-230-45-1 of the FASB Accounting Standards Codification.

Advertising Costs

The Company expenses the cost of advertising and promotional materials when incurred. Total Advertising costs were $0 for the years ended July 31, 2014 and 2013.

Subsequent events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued. Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

Recently issued accounting pronouncements

The following accounting standards were issued as of December 26, 2011:
ASU 2010-06, Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements.
This ASU affects all entities that are required to make disclosures about recurring and nonrecurring fair value measurements under FASB ASC Topic 820, originally issued as FASB Statement No. 157, *Fair Value Measurements*. The ASU requires certain new disclosures and clarifies two existing disclosure requirements. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years.

ASU 2011-04, *Fair Value Measurement (Topic 820) – Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*
This ASU supersedes most of the guidance in Topic 820, although many of the changes are clarifications of existing guidance or wording changes to align with IFRS 13. In addition, certain amendments in ASU 2011-04 change a particular principle or requirement for measuring fair value or disclosing information about fair value measurements. The amendments in ASU 2011-04 are effective for public entities for interim and annual periods beginning after December 15, 2011.

FASB Codification Topic 340-20- Capitalized Advertising Costs

Statement of Position 93-7, *Reporting on Advertising Costs* , provides CPAs with broad guidance on advertising expenditures. It says advertising costs should be expensed, either as they are incurred or the first time the advertising takes place. SOP 93-7 provides two exceptions: Direct response advertising that meets certain criteria should be capitalized. A company should capitalize and amortize direct response advertising if,
1. Its primary purpose is to elicit sales from customers who can be shown to have responded specifically to the advertising.
2. It results in probable future economic benefits.

It is not management's position to capitalize advertising costs spent on direct marketing because it would not be cost effective to track future benefits of the advertising costs spent on the direct marketing campaigns.

Statement of Financial Accounting Standards No. 160, ***Non-controlling Interests in Consolidated Financial Statements***, establishes standards for accounting for noncontrolling interest, sometimes called a minority interest, which is that portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. FAS 160 requires that the minority portion of equity and net income/loss from operations of consolidated entities be reflected in the financial statements. The Company previously adopted FAS 160 and has reflected the impact in the accompanying consolidated financial statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA, and the SEC did not or are not believed by management to have a material impact on the Company's present or future financial statements.

NOTE 3 –GOING CONCERN

As reflected in the accompanying consolidated financial statements, the Company had a significant net loss for the year ended July 31, 2014.

While the Company is attempting to commence operations and generate revenues, the Company's cash position may not be significant enough to support the Company's daily operations. Management intends to raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern.While the Company believes in the viability of its strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate revenues.

The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4- INVESTMENTS

Originally, on April 25, 2012 the Company entered into an agreement with AdMedia Group whereby the Company will have a 20% interest in the joint venture. AdMedia Group provides digital advertising throughout the country.

The Company issued 100,000,000 of its common stock to AdMedia Group which has been valued at the market rate on that date of issuance, April 25, 2012 which resulted in a value of $1,100,000.

On July 22, 2013 the Company purchased the remaining 80% of the shares of AdMedia for 15,000,000 shares. The value was recorded at market of .12 per share resulting in a price of $1,800,000. Together the value of the acquisition is $2,900,000. The Company has evaluated the acquisition and determined that no impairment exists at July 31, 2014..

On June 15, 2012, the Company issued 150,000,000 shares for the software rights related to a company and concept named EHome Lenders. The company valued these shares and investment at market which was .0080 per share, resulting in an investment cost of $1,200,000.

NOTE 5 – NOTES PAYABLE

The Company entered into an amended note payable agreement effective April 30, 2014 whereby the due date on the note was extended to December 31, 2015 and the interest was reduced from 18% to 7% per annum. The holderof the note also forgave $89,395 of the note. During the quarter ended October 31, 2013 the Company reduced its debt by $100,000 via the issuance of stock and incurred $8,133 in additional debt for payment of professional fees. For the next three months ended January 31, 2014 the company incurred $10,000 additional debt for professional fees and reduced debt by the issuance of 2,500,000 shares valued at $50,000. For the quarter ended April 30, 2014 the

Company incurred $12,700 of additional debt for professional fees and reduced the debt by $131,250 by the issuance of 5,250,000 shares. For the final quarter ended July 31, 2014 the Company incurred $13,350 in additional debt for professional and general expenses, incurred interest of $12,939 in the quarter and reduced the debt by $40,000 in the quarter by the issuance of 6,300,000 shares.

For the year ended July 31, 2014 the Company incurred interest of $134,288, was forgiven $89,395, and reduced debt by share issuances of $311,250.
At July 31, 2014 $736 289 was owed.

NOTE 6 – RELATED PARTY TRANSACTIONS

Free office space from its majority stockholder and Chief Executive Officer

The Company has been provided office space by its majority stockholder and Chief Executive Officer at no cost. The management determined that such cost is nominal and did not recognize the rent expense in its financial statements.

Issuance of Preferred E shares

The Company issued 25,000,000 shares described below to its chief executive officer and majority stockholder.

In July 2013 the Company issued 7,000,000 shares to its officers and directors valued at market at .12 resulting in an expense of $840,000 and shown on the statement of operations as stock for services.

NOTE 7 – STOCKHOLDERS' DEFICIT

On March 15, 2011 the Company issued 25,000,000 shares of Series E preferred stock to its majority shareholder and officer. The shares are convertible on a 1 to 1 basis to common.

On April 25, 2012 the Company issued 100,000,000 shares of its common stock for a 20% interest in a joint venture described in note 4.

At April 30, 2012 the Company has issued 120,000 shares of Preferred A Series Preferred Stock. This preferred is convertible into that number of common shares equal in value to one dollar with the shares being converted beginning on January 1, 2013 with a maximum of 5,000 shares of the preferred stock eligible each month and continuing for 24 months.

During the year ended July 31, 2012 the Company issued 43,250,000 shares of stock for a debt reduction of $114,000 referred to in note 5.

On June 15, 2012 the Company issued 150,000,000 shares of stock for software licensing rights, referred to in note 4.
During the year ended July 31, 2012 the Company cancelled its preferred B stock, and reduced its preferred A stock to 120,000 shares.

In November 2012 the Company issued 32,000,000 shares of stock for a reduction in the note payable referred to in note 5 of $32,000.(Pre Split)

On March 25, 2013 the Company issued 40,000,000 pre split shares for a reduction of debt of $40,000.

On May 20, 2013 the Company effectuated a 5,000 to 1 reverse stock split. The financial statements have been adjusted to reflect this split for all periods presented

On July 22, 2013 the Company issued 15,000,000 shares for an acquisition referred to note 4.

On July 23, 2013 the Company issued 7,000,000 shares to its officers for services.

On August 13, 28th and October 1, 2013 the Company issued 4,500,000 shares of stock for a reduction of the note payable of $100,000. The price of conversion was between .02 cents and .025 cents. The market price of the stock on the dates converted was between .71 to 1.45 cents. The company has recognized a loss on the settlement of debt equal to the difference between the market value of the stock and the preferred rate of conversion . The loss equaled $4,045,000.

On January 14, 2014 The Company issued 2,500,000 shares of stock for debt reduction of $50,000. The Company recognized a loss on debt equal to the difference between the .02 cents the stock was converted to and the market price of stock on that day which was .08 or $150,000.

On March 14, 2014 the Company issued 5,250,000 shares for a joint venture interest in a credit card processing service. The transaction was valued at the market price of the shares which was .17 per share equaling $850,000. The Company impaired this amount in full.

On March 18, 2014 the Company issued 5,000,000 shares for a joint venture interest in a oil recovery operation. The transaction at market was $699,500 and the Company similarly impaired this transaction in full. Both impairments are shown in the statement of operations under other expenses as part of loss on debt/impairment.

On March 20, 2014 the Company issued 5,000,000 shares for services to its president valued at market of $600,000 and shown on the statement of operations as stock for services.

On April 3, 2014 the Company issued 2,500,000 shares of stock for a debt reduction of $62,500 and recognized a loss on the debt of $137,500 as the price of the conversion was less than the market price of the stock.

On April 9, 2014 the Company issued 2,750,000 shares of stock for a debt reduction of $68,750 and recognized a loss on the debt of $204,879 for the difference between the market price and the conversion rice.

On May 30, 2014 the Company issued 4,000,000 shares for a debt reduction of $10,000 which also resulted in a financing cost of $254,000 which was the difference between the price of the stock at market and the price utilized for reduction of debt.

On July 3, 2014 the Company issued 4,000,000 shares for debt reduction of $19,000 incurring a finance cost or loss of $66,500 which was the difference between the market price of the stock and what the stock was issued for.

On July 5, 2014 the Company issued 250,000 shares of stock for services valued at market resulting in an expense of $6,750.

On July 10, 2014 the Company issued 1,000,000 shares valued at market of .02 for ,marketing services valued at $20,000.
On July 17, 2014 the Company issued 2,400,000 shares for marketing services valued at .0195 resulting in an expense of $46,800.

On July 17, 2014 the Company issued 2,300,000 shares of stock for debt reduction of $11,000 resulting in a financing cost or loss of $33,850 for the difference between the market priceof the stock of .0195 and the price the debt was reduced for.

NOTE 8-FORGIVENESS OF DEBT

During the quarter end January 31, 2014 accrued expenses of $344,088 were forgiven by written notice. This amount was recorded in the statement of operations as other income.

During the final quarter of the year end, by written notice, the note holder forgave $89,395 of debt.

The total amount was $433,483 and is shown in the statement of operations.

NOTE 9-IMPAIRMENTS

The Company impaired two joint venture acquisitions of March 14, and 18th 2014 purchased by stock equaling $1,549,500. (See note 7 Common Stock issuances)

Note 10-FINANCING CHARGE

The Company incurred a financing cost or loss on converted stock to debt equal to the difference between the market price of the stock and the price stock was issued for, for a reduction of debt. This amount equaled $4,891,729 and is detailed in note 7 above under common stock.

NOTE 11

-INCOME TAXES

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

Net deferred tax assets consist of the following components as of July 31, 2014 and 2013:

	July 31, 2014	July 31, 2013
Deferred Tax Assets – Non-current:		
NOL Carryover	$ 3,767,433	$3,712,107
Payroll Accrual	-	-
Less valuation allowance	(3,767,433)	(3,712,107)
Deferred tax assets, net of valuation allowance	$ -	$ -

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income from continuing operations for the period ended July 31, 2014 and 2013 due to the following:

	2014	2013
Book Income	$(6,859,767)	$(1,040,931)
Finance Charge	4,458,246	-
Stock for Services	673,550	840,000
Impairment	1,549,500	1,407,153

Valuation allowance	178,471	200,931
	$ -	$ -

At July 31, 2013, the Company had net operating loss carryforwards of approximately $12,153,010 that may be offset against future taxable income from the year 2014 to 2034. No tax benefit has been reported in the July 31, 2014 financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

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

NOTE 9– SUBSEQUENT EVENTS

Management has evaluated subsequent events pursuant to the requirements of ASC Topic 855 and has determined that other than the following no material subsequent events have occurred.

1. From August to October 15, 2014 the Company issued 46,196,618 shares for debt reduction of approximately $47,000.