CERTIFICATION

I, Peter Coorey, President of PayChest Inc., hereby certify that the financial statements filed herewith, and any notes thereto, fairly present, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles, generally accepted in the United States, consistently applied

Peter Coorey

Peter Coorey
President PayChest Inc.

Balance Sheet

	31 Dec 2010	31 Dec 2009
ASSETS		
Current Assets		
Cash	-	1,498
Advance	200,000	-
Total Current Assets	200,000	1,498
Equipment and Intellectual Property – Note 2	474,314	474,314
Flushaway Goodwill and Marketing Asset	5,000,000	5,000,000
Equity Investments, net – Note 2	2,146,299	2,146,299
Total Assets	7,820,613	7,622,111
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts Payable	478,265	362,906
Non Current Liabilities	5,600,000	5,000,000
Total Liabilities	6,078,265	5,362,906
Stockholders Equity		
Common Stock, authorized at $0.0001 par value 25,000,000,000. Issued and outstanding on December 31, 2009 are 21,850,331,340		
Common Stock Issued and outstanding on Dec 31, 2010 are 22,250,331,340	21,890,331	21,850,331
Preferred Stock	1,000,000	800,000
Paid in Capital	25,087,892	25,087,892
Accumulated Deficit	(46,235,875)	(45,479,018)
Total Stockholders Equity	1,742,348	2,259,205
Total Liabilities and Stockholders' Equity	7,820,613	7,622,111

Profit and Loss Statement

	31 Dec 2010 YTD	31 Dec 2009 YTD
Income		
Sales	$0	$0
Operating Expenses		
Sales and Marketing Expenses	$0	$0
General and Administrative	$756,857	$210,865
Depreciation	$0	$0
Total Expenses	$756,857	$210,865
Operating Loss	($756,857)	($210,865)
Other Revenue		
Dividend Income	$0	$0
Impairment Loss	-	-
(Loss) before Provision for Income Taxes	($756,857)	($210,865)
Basic and Diluted (Loss) per Share	$0.00	$0.00
Number of Common Shares	22,250,331,340	21,850,331,340

a = Less than ($0.01) per share

The accompanying notes are an integral part of these statements

Consolidated Statement of Stockholders Equity

	Common Stock		Preferred	Treasury	Accumulated	
	Shares	Amount	Amount	Stock	(Deficit)	Total Equity
Balance, May 4, 2000 (Inception)	**-**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net (Loss)	-	-		-	(4,561)	(4,561)
Balance, December 31, 2000	**-**	**-**		**-**	**(4,561)**	**(4,561)**
Net (Loss)	-	-		-	(36,850)	(36,850)
Balance, December 31, 2001	**-**	**-**		**-**	**(41,411)**	**(41,411)**
Net (Loss)	-	-		-	(43,872)	(43,872)
Balance, December 31, 2002	**-**	**-**		**-**	**(85,193)**	**(85,193)**
Common Shares issued to founders for services	2,600,000,000	2,600,000		-	-	2,600,000
Common Shares issued for Equity investment	5,000,000,000	5,000,000		-	-	5,000,000
Paid in Capital	-	-		-	-	30,196,902
Net (Loss)	-	-		-	(45,919,940)	(45,919,940)
Balance, December 31, 2003	**7,600,000,000**	**7,600,000**		**-**	**(46,005,133)**	**-8,208,231**
Common Shares issued for Cash	3,154,300,000	3,154,300		-	-	3,154,300
Common Shares issued for Service	1,468,714,285	1,468,714		-	-	1,468,714
Common Shares issued for Equity investment	550,000,000	550,000		-	-	550,000
Net (Loss)	-	-		-	(2,236,057)	(2,236,057)
Balance, December 31, 2004	**12,733,014,285**	**12,733,014**		**-**	**(48,241,190)**	**(5,271,274)**
Common Shares issued for Service	500,000,000	500,000		-	-	500,000
Common Shares issued for Cash	1,726,985,715	1,726,986		-	-	1,726,986
Net (Loss)	-	-		-	(523,653)	(523,653)
Balance, December 31, 2005	**15,000,000,000**	**15,000,000**		**-**	**(48,764,843)**	**(3,567,941)**
Common Shares issued for Acquisition	2,000,000,000	2,000,000		-	-	2,000,000
Common Shares issued for Cash	2,885,000,000	2,885,000		-	-	2,885,000
Contributed Capital	-	-		-	-	-
Common Shares issued for Service	2,661,534,385	2,661,534		-	-	2,661,534
Common Shares issued for Treasury	-	-		-	-	-
Common Share Settlement	(1,500,000,000)	(1,500,000)		-	-	(1,500,000)
Net (Loss)	-	-		-	(301,400)	(301,400)
Preferred non trading stock		200,000		-	-	200,000
Balance, December 31, 2006	**21,046,534,385**	**21,246,534**		**-**	**(49,066,253)**	**2,377,183**

Accumulated Deficit						
Adjustment (Note 2)					3,905,213	3,905,213
Preferred non trading stock		200,000				200,000
Common Share Adjustment -						
Stock Audit	(4,105,213,000)	(4,105,214)				(4,105,214)
Net (Loss)					(8,522)	(8,522)
Balance, December 31, 2007	**16,941,321,385**	**17,341,321**		**-**	**(45,169,562)**	**2,368,661**
Preferred non trading stock		200,000				200,000
Common Shares Paid for						
Notes	1,150,000,000	1,150,000		(1,150,000)		
Common Shares for						
Service	1,559,009,955	1,559,009		(1,559,009)		
Net (Loss)					(98,591)	(98,591)
Balance, December 31, 2008	**19,650,331,340**	**20,250,330**		**(2,709,009)**	**($45,268,153)**	**2,470,070**
Adjustment for shares not returned						
In 2006	2,200,000,000	2,200,001				2,200,001
Common Share delivery recorded in						
prior year				2,709,009		2,709,009
Preferred voting non-convertible non-trading stock		(200,000)	200,000			200,000
reclassification for 2005-7						
Preferred non-voting convertible non-trading stock						
reclassification for 2006-7		(400,000)	400,000			-
Preferred non-voting convertible non-trading stock			200,000			
Net (Loss)					(210,865)	(210,865)
Balance, December 31, 2009	**21,850,331,340**	**21,850,331**	**800,000**	**-**	**(45,479,018)**	**7,368,215**
Common Shares issued for debt	400,000,000	40,000				40,000
Preferred non-voting convertible non-trading stock			200,000			200,000
Net (Loss)					(756,857)	(756,857)
Balance, December 31, 2010	**22,250,331,340**	**21,890,331**	**1,000,000**	**-**	**(46,235,875)**	**6,851,358**

Cash Flow Statement

	31 Dec 2010	31 Dec 2009
Operating Activities		
Net Income/(Loss)	(756,857)	(210,865)
Adjustments to reconcile Net Income/(Loss):-		
Depreciation		
Advance	(200,000)	
Accounts Payable	115,359	210,865
Non Current Liability	600,000	
Stock Based Compensation		
Stock Based		
Net Cash (Used) by Operating Activities	(241,498)	
Investment Activities		
Equity Investments	-	-
Capital Change	-	-
Purchase of Equipment	-	-
Net Cash (Used) by Investment Activities		
Financing Activities		
Payment on debt	40,000	
Contributed Capital	-	
Proceeds from Sale of Non-Trading Convertible Preferred Shares	200,000	
Net Cash Provided by Financing Activities	240,000	
Net Increase/(Decrease) in Cash		
Cash, Beginning of Period	1,498	1,498
Cash, End of Period	0	1,498

PayChest, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(September 30, 2010)
Prepared and Filed 19th December 2010

NOTE 1. GENERAL ORGANIZATION AND BUSINESS

PayChest, Inc. (the Company) is an Arizona corporation organized on May 5, 2000 as Mellon Research, Inc. On January 18, 2006, the Company changed its name to PayChest, Inc. after acquiring the controlling interest in PayChest, Inc. an Oregon corporation.

Accordingly, substantial restatement may be made to these statements to appropriately account for and present the spin-off and could result in substantial dilution of booked equity per share to shareholders acquiring investment in PayChest subsequent to that date.

On 15th October 2006, Genfin acquired a controlling interest in PayChest with a 100 million non-trading non-convertible preferential voting share block in the company. PayChest has received $200,000 in equipment for the preferential stock. During 2007, management undertook an extensive stock audit resulting in reduction of the total outstanding shares. Additionally the company also reduced it's authorized share count to 25,000,000,000.

In January 2008, the company issued 2,709,009,995 shares towards the elimination of a long term note of $115,000 and issuing 1,599,990,095 shares for investor relations, accounting services, transfer services and management consulting services.

On May 7th, 2008, the company acquired the exclusive worldwide rights to Flushaway(TM), a uniquely patented range of absorbent biodegradable and flushable products. PayChest provided a note payable of $5,000,000 (US) to Consolidated Ecoprogress Technology Inc. over a 4-year period, for the delivery of these contracts and further fulfil contract payment obligations to Consolidated Ecoprogress of 5% royalties on sales.

The company continues to retain financial payment solutions and is reviewing how to realise shareholder value from this asset.

On February 1st, 2010 the Company issued a Convertible Note for $600,000 to Rich Capital International Enterprise Ltd of Hong Kong for services. The Note attracts 5% simple interest commencing September 1st 2010. Payments for interest and principal commence only when Company revenues reach $3,000,000. On or after September 1, 2012 the recipient can convert payments due into common shares at 75% of the market price at that time. The maturity date of the Note is September 1, 2015.

On February 1st, 2010 a preferred share was sold for $200,000 the proceeds of which were advanced to fund operational activities of the business and reduce the burden on the Lender and management, who have exclusively been funding the Company to date.

In October 2010 a new management team led by the new President, Mr. Peter Coorey, took over the running of the Company. Management has been reviewing the financial statements of the Company and has concerns over past valuations reported in financial reports, which can not be substantiated at this time.

A review highlighted the need for administration corrections in the categorisation of shares issued. This makes no material difference to the shares issued and outstanding but is more accurate in its accounting and presentation of shares.

In December 2010 the Company agreed terms with Xinpro Manufacturing of China for the set-up and operation of an exclusive production facility for the production of Flushaway®. This Agreement became effective in March 2011 upon set up of the production facility and the completion of the first film production machine.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Basis

The statements were prepared following generally accepted accounting principles of the United States of America consistently applied.

Management Certification

The financial statements herein are certified by the officers of the Company to present fairly, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States of America, consistently applied.

Cash and Cash Equivalents

Cash and cash equivalents include all short-term liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less. At times cash deposits may exceed government insured limits.

Earnings (Loss) per Share

The basic earnings (loss) per share are calculated by dividing the Company's net income available to common shareholders by the weighted average number of common shares during the year. The diluted earnings (loss) per share are calculated by dividing the Company's net income (loss) available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted as of the first of the year for any potentially dilutive debt or equity.

Use of Estimates

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

Equipment

Equipment is stated at cost. Depreciation is computed using the straight-line method over their estimated useful lives ranging from five to seven years. Maintenance and repairs are charged to expense as incurred. Fixed assets consist of

	31 Dec 2010	31 Dec 2009
Operating Equipment & IP	474,314	474,314
Office Equipment	-	-
Equipment Net	474,314	474,314

The company continues to retain financial payment solutions and is reviewing how to realise shareholder value from this asset.

Other Assets – Equity Investments *

The company has invested in common stock and the related warrants of publicly traded companies through the issuance of cash and Company stock. These investments include oil and gas exploration rights the company issued stock for in June of 2006 for a 7 mile gas line in Kentucky, joint venture agreements and private company investments. Some of these entities are not reporting companies with the SEC. Therefore, financial information is not readily available.

New management is concerned about the valuation of this asset as supporting documentation has not been located at this time. Management will continue to use the valuation of prior years until investigations conclude. Prior years valuations made use of a best efforts attempt to value these thinly traded securities at fair value and is conducting fair value assessments for these investments. Following is the Company's summary for the Impaired Fair Value of these Investments:

	31 Dec 2010	31 Dec 2009
Book Value	48,714,590	48,714,590
Gains		
Unrealized Loss	(46,568,291)	(46,568,291)
Adjustment to correct prior period		
Equipment Net	2,146,299	2,146,299

Flushaway Marketing Asset and Goodwill $5,000,000

New management has concerns over the book value of equipment, equity investments and the unrealized loss for prior years. Supporting documentation for this has not been located at this time.

Settlement for Judgement

On March 6, 2009 a default judgement was obtained by Carter Care Centres Inc. for $4,000,000 against Paychest. In September 2010 a settlement was secured, by and through a third party, for $5,000 paid immediately and a further $20,000 paid no later than September 21st, 2011. Upon settlement and repayment of expenses and costs to the third party, the judgement will be satisfied. Management believe this will probably be addressed within the time required.

Judgment

In Q4/2010 new management were informed that on April 13, 2006 a default judgment was obtained for a total of $97,294.55 plus interest at 10% per year. against Mellon Research Inc. The Company is investigating if this is a valid judgment.

Revenue Recognition

Revenue is recognized on billed goods and services.

Income Taxes

The provision for income taxes is the total of the current taxes payable and the net of the change in the deferred income taxes. Provision is made for the deferred income taxes where differences exist between the period in which transactions affect current taxable income and the period in which they enter into the determination of net income in the financial

** Accumulated Deficit- adjustments to accumulated deficits have been measured against adjustments made during the stock audit.

Earnings Per Share

Basic earnings per share are computed by dividing net income by the average number of common shares outstanding during the period Diluted earnings per share takes into consideration the potentially dilutive effect of common stock equivalents, such as outstanding stock options and warrants, which if exercised or converted into common stock would then share in the earnings of the Company. In computing diluted earnings per share, the Company utilizes the treasury stock method and anti-dilutive securities are excluded.

The Company has no outstanding options or warrants. The Company has issued preferred convertible non-voting shares which are being used by new management to fund specific and discrete activities that will add value and help execute the business turnaround. This Convertible class of preferred shares can be converted 1 for 1 to common shares.

Stock Based Compensation

The Company accounts for its stock based compensation based upon provisions in SFAS No. 123, Accounting for Stock-Based Compensation. In this statement stock based compensation is divided into two general categories, based upon who the stock receiver is, namely: employees/directors and non-employees/directors. The employees/directors category is further divided based upon the particular stock issuance plan, namely compensatory and non-compensatory. The employee/directors non-compensatory securities are recorded at the sales price when the stock is sold. The compensatory stock is calculated and recorded at the securities' fair value at the time the stock is given. SFAS 123 also provides that stock compensation paid to non-employees be recorded with a value which is based upon the fair value of the services rendered or the value of the stock given, whichever is more reliable. The Company has selected to utilize the fair value of services rendered.

NOTE 3. GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. However, the Company has accumulated a loss of $46,235,875 during its development stage. This raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

Under new management operational costs and growth is being funded through its own resources and by a loan made available to the Company by LiAni Holdings Ltd. Continued financial support will be re-assessed on a quarterly basis and reflected in the appropriate financial releases. There is no assurance that loans will continue beyond each quarter or that management can continue to find investors to cover the losses generated.

NOTE 4. STOCKHOLDERS' EQUITY

Common Stock

PayChest, Inc. (the Company) is an Arizona corporation organized on May 5, 2000 as Mellon Research, Inc. On January 18, 2006, the Company changed its name to PayChest, Inc. in anticipation of acquiring the controlling interest in PayChest, Inc. an Oregon corporation.

On April 27, 2004 the Company executed a 200:1 forward stock split which has been retroactively applied to these statements and accompanying notes.

During the year 2003, the Company issued 2,600,000,000 post split common shares to its founders for $221,604 cash and 5,000,000,000 common shares to acquire equity securities valued on the date of investment at $46,875,000.

During 2004 the Company issued 3,154,300,000 common shares for $441,981 cash in a Rule 504 offering and an additional 1,468,714,285 common shares for services valued at $989,390. On December 15, 2004 the Company issued 500,000,000 common shares to acquire equity securities valued at $1,600,000. On December 27, 2004, the Company issued 50,000,000 common shares to acquire equity securities valued at $239,590.

During 2005 the Company issued 500,000,000 common shares for services valued at $100,000 and 1,726,985,715 common shares for $140,840 cash. The total issued and outstanding common stock at December 31, 2005 is 15,000,000,000 shares.

On February 6, 2006 the Company paid $16,500 and issued 2,000,000,000 common shares valued at $183,500 to acquire 60% ownership of PayChest, Inc. (Oregon) the Company. The company has subsequently acquired 100% of PayChest.

During the quarter ended June 30, 2006 the Company issued 2,885,000,000 common shares for $303,000 cash.

On July 31, 2006 the Company received 100,000,000 of its own common shares at par value as a $10,000 dividend from one of its equity investments. These shares have been cancelled in this quarter and will reduce the issued shares accordingly.

During the quarter ended September 30, 2006 the Company issued 2,661,534,385 common shares for services valued at $266,153 and received contributed capital of $5,000. **

During the fourth quarter 2006, no new shares were issued and company management committed not to issue any new shares, until further notice. The company reduced the total outstanding share count by 1,500,000,000 shares as a result of renegotiated agreements for services previously rendered. Also during 2006 the Company issued 100,000,000 voting non-convertible shares.

As of February 20, 2007, the Company is authorized to issue 25,000,000,000 common shares with a par value of $0.0001, 100,000,000 preferred voting, non-convertible shares.

During 2007, the Company continued its extensive audit and further returned an additional 1,905,213,000 shares to the treasury through and extensive stock audit. This was recorded incorrectly as 4,105,213,000 and an adjustment has been made during 2009 to adjust this. In addition, the company will use its non strategic assets, as a trade instrument to redeem more PayChest shares and return them to the treasury. Also in 2007 the Company started issuing preferred non-voting convertible shares. This Convertible class of preferred share is being used by new management to fund specific and discrete activities that will add value and help the Company execute its turnaround.

In January 2008, the company issued 2,709,009,995 shares towards the elimination of a long term note of $115,000 and issuing 1,599,990,095 shares for investor relations, accounting services, transfer services and management consulting services.

In preparing the 2009 financial year end reports, a review of the Company financial and administrative records has been started under new management. Adjustments were made in the way preferred convertible non-voting shares were categorized although this made no material change to the count of shares issued and outstanding as published by the Company and as shown on its website. A separate adjustment for stock not returned in 2006 was made in the 2009 financial year end report to account and confirm the Issued and Outstanding shares at 21,850,331,340; also as published on the companies website and reported in this financial statement.

In December 2010 the Company issued 400,000,000 shares to retire $40,000 of debt for a loan and debt commencing 2007. The Company does not anticipate further shares being issued for debt.

NOTE 5. FUTURE STOCK CONSIDERATIONS

The general shareholder consensus is to avoid a reverse stock split. Management concurs because it reduces shareholder value and confidence. Management will not use a reverse stock split to consolidate the issued shares. The consolidation will be achieved through further negotiation, share swap, buyback and other positive means. However, a reverse split will be necessary when PayChest is ready to advance to a higher trading exchange, such as the Nasdaq.

NOTE 6. PROVISION FOR INCOME TAXES

The Company provides for income taxes under Statement of Financial Accounting Standards NO. 109, Accounting for Income Taxes. SFAS No. 109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

	31 Dec 2010	31 Dec 2009
Deferred Tax Asset		
Valuation account		
Current taxes payable		

The tax provision at FYE 2010 is $0.00.

Below is a chart showing the federal net operating losses and the years in which they will expire:

Federal net operating losses

Year	Expiration	Amount
2000	2020	4,561
2001	2021	36,850
2002	2022	43,782
2003	2023	45,919,940
2004	2024	2,236,057
2005	2025	523,653
2006	2026	301,410
2007	2027	3,761
2008	2028	98,591
2009	2029	210,865
2010	2030	756,857
Total NOL		50,136,327

NOTE 7. THE EFFECT OF RECENTLY ISSUED ACCOUNTING STANDARDS

Below is a listing of the most recent accounting standards SFAS 150-154 and their effect on the Company.

Statement No. 150 Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity (Issued 5/03)

This Statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity.

Statement No. 151 Inventory Costs-an amendment of ARB No. 43, Chapter 4 (Issued 11/04)

This statement amends the guidance in ARB No. 43, Chapter 4, Inventory Pricing, to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Paragraph 5 of ARB 43, Chapter 4, previously stated that "…under some circumstances, items such as idle facility expense, excessive spoilage, double freight and re-handling costs may be so abnormal as to require treatment as current period charges…." This Statement requires that those items be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal." In addition, this Statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities.

Statement No. 152 Accounting for Real Estate Time-Sharing Transactions (an amendment of FASB Statements No. 66 and 67)

This Statement amends FASB Statement No. 66, Accounting for Sales of Real Estate, to reference the financial accounting and reporting guidance for real estate time-sharing transactions that is provided in AICPA Statement of Position (SOP) 04-2, Accounting for Real Estate Time-Sharing Transactions. This Statement also amends FASB Statement No. 67, Accounting for Costs and Initial Rental Operations of Real Estate Projects, states that the guidance for (a) incidental operations and (b) costs incurred to sell real estate projects does not apply to real estate time-sharing transactions. The accounting for those operations and costs is subject to the guidance in SOP 04-2.

Statement No. 153 Exchanges of Non-monetary Assets (an amendment of APB Opinion No. 29)

The guidance in APB Opinion No. 29, Accounting for Non-monetary Transactions, is based on the principle that exchanges of non-monetary assets should be measured based on the fair value of the assets exchanged. The guidance in that Opinion, however, includes certain exceptions to the principle. This Statement amends Opinion 29 to eliminate the exception for non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange.

Statement No. 154 – Accounting Changes and Error Corrections (a replacement of APB Opinion No. 20 and FASB Statement No. 3)

This Statement replaces APB Opinion No. 20, Accounting Changes, and FASB Statement No. 3, Reporting Accounting Changes in Interim Financial Statements, and changes the requirements for the accounting for and reporting of a change in accounting principle. This Statement applies to all voluntary changes in accounting principle. It also applies to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. When a pronouncement includes specific transition provisions, those provisions should be followed. The adoption of these new Statements is not expected to have a material effect on the Company's current financial position, results or operations, or cash flows.

NOTE 8. OBSERVATIONS ON FINANCIAL STATEMENTS

FYE 2009 financial statements should have reported only the dollar amount for the two classes of preferred shares issued these being $200,000 of voting, non-convertible, non trading shares and $600,000 of non-voting, convertible, non-trading shares. This should have been carried through the quarterly financials of 2010 until this FYE report.