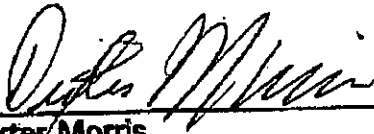


## CERTIFICATION

I, Dexter Morris, CEO of Labwire, 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.

A handwritten signature in cursive script, appearing to read "Dexter Morris", is written over a horizontal line.

Dexter Morris  
CEO

**David B. Neidhart, CPA, P.C.**  
Certified Public Accountant  
Certified Information Technology Professional  
Office 713-463-0700  
Fax -713-463-0702

August 20, 2005

Dexter Morris  
Labwire, Inc.  
14133 Memorial Drive  
Houston, Texas 77079

Dear Mr. Morris:

We have compiled the accompanying balance sheet of Labwire, Inc. as of June 30, 2005 and the related statements of income for the periods then ended, in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on it.

Accordingly, these financial statements are not designed for those who are not informed about such matters.

Thank you for your business and please feel free to call me with any questions.

David Neidhart, CPA, P.C.

# Labwire, Inc. and Subsidiary Companies

## Consolidated Balance Sheet

	Quarters Ended		
	Jun 30, 05	Mar 31, 05	Dec 31, 04
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
EncoreBank - 3247	1,871.82	524.56	6,724.56
Encore Checking	498.35	4,317.35	6,036.72
Undeposited Funds	80,402.36	-15,877.45	-600.00
<b>Total Checking/Savings</b>	<u>82,772.53</u>	<u>-11,035.54</u>	<u>12,161.28</u>
<b>Accounts Receivable</b>			
Accrued Revenue	63,441.50	206,715.50	0.00
Accounts Receivable	142,408.86	178,961.39	48,882.46
<b>Total Accounts Receivable</b>	<u>205,850.36</u>	<u>385,676.89</u>	<u>48,882.46</u>
<b>Other Current Assets</b>			
Employee Advances	1,900.00	350.00	350.00
<b>Total Other Current Assets</b>	<u>1,900.00</u>	<u>350.00</u>	<u>350.00</u>
<b>Total Current Assets</b>	<u>290,522.89</u>	<u>374,991.35</u>	<u>61,393.74</u>
<b>Fixed Assets</b>			
Fixed Assets - net (note 1)	44,321.48	47,340.02	50,358.56
<b>Total Fixed Assets</b>	<u>44,321.48</u>	<u>47,340.02</u>	<u>50,358.56</u>
<b>Other Assets</b>			
Goodwill (note 2)	456,933.22	456,933.22	456,933.22
<b>Total Other Assets</b>	<u>456,933.22</u>	<u>456,933.22</u>	<u>456,933.22</u>
<b>TOTAL ASSETS</b>	<u><u>791,777.59</u></u>	<u><u>879,264.59</u></u>	<u><u>568,685.52</u></u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
Expense Accruals	300.00	300.00	0.00
Accounts Payable	366,081.56	388,672.62	182,487.70
<b>Total Accounts Payable</b>	<u>366,381.56</u>	<u>388,972.62</u>	<u>182,487.70</u>
<b>Credit Cards</b>			
Credit Cards	26,648.29	35,455.74	41,204.87
<b>Total Credit Cards</b>	<u>26,648.29</u>	<u>35,455.74</u>	<u>41,204.87</u>
<b>Other Current Liabilities</b>			
Payroll Liabilities	3,295.61	3,295.61	3,295.61
<b>Total Other Current Liabilities</b>	<u>3,295.61</u>	<u>3,295.61</u>	<u>3,295.61</u>
<b>Total Current Liabilities</b>	<u>396,325.46</u>	<u>427,723.97</u>	<u>226,988.18</u>
<b>Long Term Liabilities</b>			
Notes Payable (note 3)	320,814.33	319,037.08	317,291.32
<b>Total Long Term Liabilities</b>	<u>320,814.33</u>	<u>319,037.08</u>	<u>317,291.32</u>
<b>Total Liabilities</b>	<u>717,139.79</u>	<u>746,761.05</u>	<u>544,279.50</u>
<b>Equity</b>			

See Accountant's Compilation Report  
The accompanying notes are an integral part of this financial statement

**Labwire, Inc. and Subsidiary Companies**  
**Consolidated Balance Sheet**

	<u>Jun 30, 05</u>	<u>Mar 31, 05</u>	<u>Dec 31, 04</u>
Paid in Capital in Excess PAR	130,744.00	105,772.33	5,625.00
Common Stock (\$.001 PAR value 150,000,000 authorized shares 125,305,998 shares issued)	125,306.00	125,277.67	120,125.00
Retained Earnings	-101,343.98	-101,343.98	0.00
Net Income	-80,068.22	2,797.52	-101,343.98
Total Equity	<u>74,637.80</u>	<u>132,503.54</u>	<u>24,406.02</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>791,777.59</b></u>	<u><b>879,264.59</b></u>	<u><b>568,685.52</b></u>

See Accountant's Compilation Report  
The accompanying notes are an integral part of this financial statement

**Labwire, Inc. and Subsidiary Companies**  
**Consolidated Statement of Earnings**  
For the three months ended June 30, 2005

	Quarters Ended						Year to Date	
	Jun 05	%	Mar 05	%	Dec 04	%	Jan-Jun 05	%
Ordinary Income/Expense								
Income								
Collection / Analysis	476,799.54	81.97%	396,488.00	87.64%	41,404.50	69.61%	873,287.54	84.45%
General Revenue	76,102.70	13.08%	54,848.88	12.12%	17,904.50	30.19%	130,851.58	12.66%
Security Revenue	28,800.00	4.95%	0.00	0.0%	0.00	0.0%	28,800.00	2.79%
Services	0.00	0.0%	1,085.00	0.24%	0.00	0.0%	1,085.00	0.11%
Total Income	581,702.24	100.0%	452,421.88	100.0%	59,309.00	100.0%	1,034,124.12	100.0%
Cost of Goods Sold								
Drug Screening Services	366,125.00	68.1%	255,023.34	58.37%	27,991.08	47.2%	651,148.34	62.97%
Total COGS	366,125.00	68.1%	255,023.34	58.37%	27,991.08	47.2%	651,148.34	62.97%
Gross Profit	185,578.24	31.6%	197,398.54	43.63%	31,317.94	52.81%	382,974.78	37.03%
Expense								
Bad Debt Expense	1,573.30	0.27%	493.45	0.11%	358.50	0.6%	2,096.75	0.2%
Bank Service Charges	316.31	0.05%	44.00	0.01%	107.84	0.18%	360.31	0.04%
Computer	28,735.00	4.8%	20,042.42	4.43%	11,597.71	19.56%	46,777.42	4.52%
Contract Labor	6,950.16	1.71%	8,578.90	1.9%	4,910.00	8.28%	18,629.06	1.79%
Depreciation Expense	3,018.54	0.52%	3,018.54	0.67%	2,012.38	3.39%	6,037.08	0.58%
Education	0.00	0.0%	2,761.58	0.61%	250.00	0.42%	2,761.58	0.27%
Insurance	6,713.98	1.67%	12,185.96	2.69%	9,331.01	15.73%	21,699.94	2.12%
Marketing & Advertising	100.00	0.02%	0.00	0.0%	0.00	0.0%	100.00	0.01%
Office Supplies	439.58	0.08%	2,282.50	0.51%	2,325.16	3.82%	2,732.09	0.28%
Payroll Expenses	154,680.79	26.56%	94,337.82	20.85%	70,655.39	118.96%	249,018.41	24.06%
Postage and Delivery	2,185.42	0.38%	1,360.20	0.3%	1,848.87	2.78%	3,545.82	0.34%
Professional Fees	6,355.73	1.08%	3,075.00	0.68%	3,287.50	5.54%	9,430.73	0.91%
Rent	10,071.88	1.73%	7,803.20	1.73%	11,359.20	19.15%	17,875.08	1.73%
Repair & Maintenance	110.38	0.02%	0.00	0.0%	0.00	0.0%	110.38	0.01%
Telephone	2,021.64	0.35%	2,591.85	0.57%	1,829.08	2.75%	4,603.29	0.45%
Travel & Ent	36,576.02	6.29%	33,508.15	7.41%	12,125.30	20.44%	70,084.17	6.78%
Miscellaneous	2,816.01	0.48%	0.00	0.0%	0.00	0.0%	2,816.01	0.27%
Total Expense	286,664.73	45.54%	162,083.17	42.45%	131,499.02	221.72%	458,747.90	44.36%
Net Income from Operations	-81,086.49	-13.64%	5,315.37	1.16%	-100,181.08	-168.91%	-75,773.12	-7.33%
Other Income/Expense								
Other Expense								
Interest Expense	1,777.25	0.31%	2,517.85	0.56%	1,162.80	1.96%	4,295.10	0.42%
Total Other Expense	1,777.25	0.31%	2,517.85	0.56%	1,162.80	1.96%	4,295.10	0.42%
Net Income before Income Taxes	-82,865.74	-14.26%	2,797.52	0.62%	-101,343.98	-170.88%	-80,068.22	-7.74%
Income Tax Provision	0.00		0.00		0.00		0.00	
Net Income	-82,865.74	-14.28%	2,797.52	0.62%	-101,343.98	-170.88%	-80,068.22	-7.74%
Basic Earnings per Share	\$ (0.0007)		\$ 0.0000		\$ (0.0008)		\$ (0.0008)	

**Labwire, Inc. and Subsidiary Companies**  
**Consolidated Statement of Cash Flows**

	Quarters Ended		
	Jun 05	Mar 05	Dec 04
<b>OPERATING ACTIVITIES</b>			
Net Income	-82,885.74	2,797.52	-101,343.98
Adjustments to reconcile Net Income to net cash provided by operations:			
Accrued Revenue	172,074.00	-206,715.50	0.00
Accounts Receivable	7,752.53	-130,078.93	329.00
Expense Accruals	-1,550.00	300.00	0.00
Accounts Payable Related	-31,398.61	200,435.76	65,756.55
Net cash provided by Operating Activities	64,012.28	-133,251.12	-35,258.42
<b>INVESTING ACTIVITIES</b>			
Fixed Assets:Computer Equipment:Accum Deprec - Computer Equip	889.88	888.98	888.88
Fixed Assets:Equipment:Accum Deprec - Equipment	2,018.55	2,018.55	1,345.70
Business Acquired	0.00	0.00	-120,000.00
Net cash provided by Investing Activities	3,018.54	3,018.54	-117,987.64
<b>FINANCING ACTIVITIES</b>			
Notes Payable	1,777.25	1,745.76	11,162.90
Paid in Capital In Excess PAR	24,971.67	100,147.33	5,825.00
Common Stock (\$.001 PAR value)	28.33	5,152.67	120,125.00
Net cash provided by Financing Activities	26,777.25	107,045.76	136,912.90
Net cash increase for period	93,808.07	-23,186.82	-16,333.16
Cash at beginning of period	-11,035.54	12,181.28	28,494.44
Cash at end of period	82,772.53	-11,035.54	12,161.28

**Labwire, Inc. and Subsidiary Companies**  
**Consolidated Statement of Shareholder's Equity**

	<b>Common Stock</b>	<b>Additional Paid in Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
Shareholder's Equity October 1, 2004	\$ -	\$ -	\$ -	\$ -
Net Earnings			(101,343.98)	(101,343.98)
Common Stock issued	120,125.00	5,625.00		125,750.00
Shareholder's Equity December 31, 2004	120,125.00	5,625.00	(101,343.98)	24,406.02
Net Earnings			2,797.52	2,797.52
Common Stock issued	5,152.67	100,147.33		105,300.00
Shareholder's Equity March 31, 2005	125,277.67	105,772.33	(98,546.46)	132,503.54
Net Earnings			(82,865.74)	(82,865.74)
Common Stock issued	28.33	24,971.67		25,000.00
Shareholder's Equity June 30, 2005	125,306.00	130,744.00	(181,412.20)	74,637.80

**Changes in Number of Shares**

	<b>Issued</b>	<b>Outstanding</b>	<b>In Treasury</b>	<b>Average Price/Share</b>
Balance at October 1, 2004	0	0	0	
Common Stock Issued	120,125,000	120,125,000	0	
Balance at December 31, 2004	120,125,000	120,125,000	0	\$ 0.0010
Common Stock Issued	5,152,665	5,152,665		
Balance at March 31, 2005	125,277,665	125,277,665	0	0.0018
Common Stock Issued	28,333	28,333		
Balance at June 30, 2005	125,305,998	125,305,998	0	0.0020

See Accountant's Compilation Report  
The accompanying notes are an integral part of this financial statement

## **Notes to the Financial Statements**

### **Basis of Presentation**

The financial statements included in this compilation report present the combined activities of Labwire, Inc.

These are compiled financial statements and have not been audited.

### **Basis of Accounting**

The financial statements are prepared on the accrual basis except for accrued bad debt expense. The company is currently writing balances off as they are deemed uncollectible. The inclusion of such amounts would not have a significant effect on the financial statements. Compensated absences are not reflected in the accompanying financial statements.

### **Note 1 – Fixed Assets**

Fixed assets are valued at booked value from the date of acquisition. Labwire, Inc. acquired Workplace Screening, Inc. on October 31, 2004. Computer equipment is being depreciated over three (3) years and equipment over five (5) years using the straight-line method.

Computer Equipment	\$12,000
Less accumulated depreciation	( 2,667)
Net Computer Equipment	\$ 9,333
Equipment	\$40,371
Less accumulated depreciation	( 5,383)
Net Equipment	\$34,988

### **Note 2 – Goodwill**

The acquisition of Workplace Screening, Inc. resulted in a \$456,933.22 charge to goodwill. Per FASB Statement #142, goodwill should remain on the books subject to an annual impairment test.

### **Note 3 – Long-Term Indebtedness**

Note Payable – D Morris – 1.71% - payable when profits allow	\$137,155
Note Payable – Workplace Health – 4.5% payable when profits allow	60,050
Note Payable – J Maring – 1.71% - payable when profits allow	123,609
Total Long-Term Indebtedness	\$320,814

### **Note 4 – Subsidiaries**

Labwire, Inc. has one wholly owned subsidiary, Workplace Screening Services, Inc. Labwire, Inc. purchased Workplace Screening Services, Inc. on October 31, 2004 in a stock purchase of 120,000,000 shares. The acquisition was valued at \$120,000. Along with the assets of the company, Labwire, Inc. assumed \$161,232 in short-term debt and \$306,128 in long-debt.