

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

INTERNATIONAL WIRELESS INC

Form 8-K/A

June 01, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 8K-A

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934

Date of Event Requiring Report: December 10, 2003

INTERNATIONAL WIRELESS, INC.

(Exact name of Registrant as Specified in Its Charter)

Maryland	000-27045	36-4286069
-----	-----	-----
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

25 Mound Park Drive
Springboro, OH 45036

(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (937) 748-2937

(Former name or former address, if changes since last report)

ITEM 1. CHANGES IN CONTROL OF REGISTRANT.

Not applicable.

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

On or about December 11, 2003 the Registrant submitted Form 8K describing an Acquisition Agreement that the Registrant entered on December 10, 2003 to acquire one hundred percent of Mound Technologies, Inc. a Nevada corporation with its corporate headquarters located in Springboro, Ohio (hereinafter "Mound").

The closing under the Acquisition Agreement consisted of a stock for stock exchange in which the Registrant acquired all of the issued and outstanding

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

common stock of Mound in exchange for the issuance of 1,256,000 shares of its common stock. As a result of this transaction, Mound became a wholly-owned subsidiary of the Registrant.

The Agreement was approved after completion of its due-diligence by the unanimous consent of the Board of Directors of Mound and International Wireless. Prior to the Agreement, the Registrant had 11,755,603 shares of common stock issued and outstanding. Following the closing, the Registrant has 13,011,603 shares of common stock outstanding. The 1,256,000 shares of common stock have been issued to five different shareholders. Thomas C. Miller the new President and Chief Executive Officer owns 800,000 shares directly and is attributable to owning a total of 1,200,000 through relations and shares under his control.

Mound was incorporated in the state of Nevada in November of 2002. Its corporate offices are located in Springboro, Ohio. Mound is actively involved in the fabricated metals industry as well as property management. This business includes two divisions and one wholly owned subsidiary.

The Steel Fabrication Division is located in Springboro, Ohio. This division is a full service structural and miscellaneous steel fabricator. It also manufactures steel stairs and railings, both industrial and architectural quality. The present capacity of the facility is 6000 tons per year of structural and miscellaneous steel. This division had been previously known as Mound Steel Corporation which was started at the same location in 1964.

The Property Management Division is also located in Springboro, Ohio. Presently five properties are owned and managed. This includes 145,000 square feet of light and heavy manufacturing buildings on approximately 22 acres. An additional 33 acres of industrial property is managed but not owned.

Freedom Products of Ohio is a wholly owned subsidiary of Mound. Freedom manufactures products for the heavy machinery industry and has the ability to do complete assembly and testing if required. This includes machine bases, breeching, pollution control abatement fabrications and material handling fabrications. Freedom has the capacity to fabricate weldments and assemblies up to 50 tons total weight. Freedom Products of Ohio is located in Middletown, Ohio.

ITEM 3. BANKRUPTCY OR RECEIVERSHIP.

Not applicable.

ITEM 4. CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANTS.

Not applicable.

ITEM 5. OTHER EVENTS.

Not applicable.

2

ITEM 6. RESIGNATIONS OF REGISTRANT'S DIRECTORS.

Not Applicable.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

a. Financial Statements of business Acquired.

On or about December 11, 2003 the Registrant submitted Form 8K describing an Acquisition Agreement that the Registrant entered on December 10, 2003 to acquire one hundred percent of Mound.

The audited financials statements were not available at the time of the initial filing on Form 8K are provided in this Form 8K-A.

3

MOUND TECHNOLOGIES, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

4

CONTENTS

Independent Auditors' Report	Page 1
Consolidated Balance Sheet	2
Consolidated Statement of Stockholders' Deficit	3
Consolidated Statement of Operations	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6

5

MEYLER & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS
ONE ARIN PARK
1715 HIGHWAY 35
MIDDLETOWN, NJ 07748

Independent Auditors' Report

To the Board of Directors
Mound Technologies, Inc.
Springboro, Ohio

We have audited the accompanying consolidated balance sheet of Mound Technologies, Inc. and subsidiaries as of December 31, 2003 and the related consolidated statements of operations, stockholders' deficit and cash flows for the year then ended. These consolidated financial statements are the

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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 audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mound Technologies, Inc. and subsidiaries as of December 31, 2003 and the consolidated results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note C to the consolidated financial statements, the Company incurred a net loss of \$2,631,303 for the year ended December 31, 2003 and has a net working capital deficit of \$595,070. There are existing uncertain conditions the Company faces relative to its ability to acquire capital and conduct sales activities. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note C. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Meyler & Company, LLC

Middletown, NJ
February 18, 2004

6

MOUND TECHNOLOGIES, INC.

CONSOLIDATED BALANCE SHEET

ASSETS

For the Year Ended December 31, 2003

CURRENT ASSETS

Cash	\$ 4,923
Marketable securities	3,020
Accounts receivable, net of allowance for doubtful accounts of \$631,867	1,120,182
Inventory	619,192

Total Current Assets	1,747,317

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

PROPERTY, PLANT and EQUIPMENT, net of accumulated depreciation of \$510,219	982,502
OTHER ASSETS	
Deposits	1,000

	\$2,730,819
	=====

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES	
Notes payable to vendors	\$ 325,000
Current portion of long term debt	29,450
Accounts payable	1,115,070
Payroll taxes	527,355
Accrued salary and wages	38,400
Billings in excess of cost	156,507
Accrued expenses	150,605

Total Current Liabilities	2,342,387
LONG-TERM DEBT	961,928
STOCKHOLDERS' DEFICIT	
Common stock \$0.001 par value, 30,000,000 authorized, 1,000 issued and outstanding at December 31, 2003	1
Paid-in-capital	5,031,389
Accumulated deficit	(5,604,886)

	(573,496)

	\$2,730,819
	=====

See accompanying notes to consolidated financial statements.

7

MOUND TECHNOLOGIES, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

December 31, 2003

	Common Shares	Common Stock	Paid in Capital	Accumulated Deficit

Issuance of 1,000 shares of common stock at \$0.001 par value per share	1,000	\$1	\$3,686,599	
Merger of Miller Investments into the Company			349,000	

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

Merger of Mound Steel, Inc. into the Company			995,790	(2,973,583)
Net loss for year ended December 31, 2003	-----	--	-----	(2,631,303)
Balance December 31, 2003	1,000	\$1	\$5,031,389	(5,604,886)
	=====	==	=====	=====

See accompanying notes to consolidated financial statements.

8

MOUND TECHNOLOGIES, INC.

CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2003

NET SALES		\$4,428,836
COSTS AND EXPENSES		
Cost of goods sold		4,055,404
Selling, general and administrative		1,281,975
Depreciation and amortization		64,400

Total Costs and Expenses		5,401,779

NET OPERATING LOSS		(972,943)
OTHER INCOME (EXPENSE)		
Dividend and other income		4,480
Interest expense		(351,801)
Realized loss on sale of marketable securities		(150,949)
Loss on sale of building		(39,237)

Total Other Expenses		(537,507)

NET LOSS FROM CONTINUING OPERATIONS		(1,510,450)
DISCONTINUED OPERATIONS		
Income from operations of discontinued subsidiary		(457,853)
Loss on disposal of operating assets		(663,000)

		(1,120,853)

NET LOSS		\$2,631,303
		=====

See accompanying notes to consolidated financial statements.

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

9

MOUND TECHNOLOGIES, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	\$ (2,631,304)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	64,600
Sale of building	625,000
Discontinued operating assets	663,000
Changes in operating assets and liabilities:	
Accounts receivable	943,771
Inventory	(255,956)
Other current assets	76,310
Accounts payable	(262,414)
Billings in excess of cost	17,611
Accrued payroll taxes	413,165
Notes payable to vendors	175,000
Accrued salaries and wages	38,400
Accrued expenses	150,605

Net Cash Provided by Operating Activities	17,788

CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of marketable securities	(3,020)

Net Cash Used in Investing Activities	(3,020)

CASH FLOWS FROM FINANCING ACTIVITIES	
Cash acquired in acquisition	2,385
Debt repayment	(4,142,291)
Notes payable to related party	441,292
Additional capital investment	3,686,600

Net Cash Used in Financing Activities	(12,014)

NET INCREASE IN CASH	2,754
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,169

CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,923
	=====
Supplemental Schedule of Non-Cash Operating and Financing Activities:	
Miller Investments Acquisition:	
Fair market value of land and buildings acquired	\$ 1,461,000
Cash	2,385
Mortgages assumed	(1,114,145)
Equity	(349,240)
Adimo Manufacturing Company Acquisition:	
Fair market value of assets acquired	
Equipment	783,374
Inventory	199,196
Accounts receivable	64,907

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

Debt assumed	
Bank loans	897,477
Vendor notes payable	150,000
Interest paid	351,801

See accompanying notes to consolidated financial statements.

10

MOUND TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2003

NOTE A - BUSINESS

Mound Technologies, Inc. (the "Company"), a Nevada corporation, was incorporated in November 2002. The assets and liabilities of Mound Steel, Inc. were transferred to the Company on January 1, 2003. The Company is a fabricator of structural steel for commercial buildings meeting industrial and architectural standards.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Consolidated Financial Statements

The consolidated financial statements include the Company and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Property and Equipment and Depreciation

Property and equipment is stated at cost and is depreciated using the straight line method over the estimated useful lives of the respective assets. Routine maintenance, repairs and replacement costs are expensed as incurred and improvements that extend the useful life of the assets are capitalized. When property and equipment is sold or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized in operations.

Marketable Securities

The Company accounts for marketable securities in accordance with Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities. This statement requires securities which are available for sale to be carried at fair

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

value, with changes in fair value recognized as a separate component of stockholders' equity. At December 31, 2003, cost approximated market.

Allowance for Doubtful Accounts

It is the company's policy to provide an allowance for doubtful accounts when it believes there is a potential for non-collectibility based upon careful review and analysis.

Inventories

Inventories are stated at the lower of cost or market value. Cost is determined using the first-in, first-out (FIFO) method.

11

MOUND TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) December 31, 2003

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Cost Recognition

The Company recognizes revenues from certain long-term construction contracts, on the percentage-of - completion method. Under this method, the completion percentage is measured by the percentage that costs incurred to date bears to total estimated final costs for each contract. For financial statement purposes, income is determined by applying the percentage of completion, determined at the financial statement date, to the estimated final gross profit for each contract.

Business Combinations and Goodwill

In July 2001, the Financial Accounting Standards Board ("FASB") issued SFAS NO. 141, "Business Combinations". SFAS No. 141 requires the purchase method of accounting for business combinations initiated after June 30, 2001 and eliminates the pooling-of-interests method.

In July 2001, the FASB issued SFAS NO. 142, "Goodwill and Other Intangible Assets", which the company adopted during 2003. SFAS No. 142 requires, among other things, the discontinuance of goodwill amortization. In addition, the standard includes provisions for the reclassification of certain existing recognized intangibles as goodwill, reassessment of the useful lives of existing recognized intangibles, reclassification of certain intangibles out of previously reported goodwill and the identification of reporting units for purposes of assessing potential future impairment of goodwill.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS No. 144 changes the accounting for long-lived assets to be held and used by eliminating the requirement to allocate goodwill to long-lived assets to be tested for impairment, by providing a probability weighted cash flow estimation approach to deal with situations in which alternative courses of action to recover the carrying amount of possible future cash flows and by establishing a primary-asset approach to determine the cash flow estimation period for a group of assets and liabilities

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

that represents the unit of accounting for long-lived assets to be held and used. SFAS No. 144 changes the accounting for long-lived assets to be disposed of other than by sale by requiring that the depreciable life of a long-lived asset to be abandoned be revised to reflect a shortened useful life and by requiring the impairment loss to be recognized at the date a long-lived asset is exchanged for a similar productive asset or distributed to owners in a spin-off if the carrying amount of the asset exceeds its fair value. SFAS No 144 changes the accounting for long-lived assets to be disposed of by sale by requiring that discontinued operations no longer be recognized in a net realizable value basis (but at the lower of carrying amount or fair value less costs to sell), by eliminating the recognition of future operating losses of discontinued components before they occur and by broadening the presentation of discontinued operations in the income statement to include a component of an entity rather than a segment of a business. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally, and for financial reporting purposes, from the rest of the entity.

NOTE C - GOING CONCERN

As shown in the accompanying financial statements, the Company had a net operating loss of \$2,631,303 for the year ended December 31, 2003, and a negative working capital of \$595,070 and a negative stockholders' equity of \$573,496.

On December 10, 2003, the company was acquired by International Wireless, Inc. a public corporation. Management's plans to improve its financial condition are as follows: (1) to seek additional equity capital

12

MOUND TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2003

NOTE C - GOING CONCERN (CONTINUED)

in the financial markets, (2) improve its position in the construction industry by bidding on more projects (the Company for the first quarter 2004 has approximately \$3,300,000 in order backlog), (3) implementing profit improvement and cost cutting measures and (4) seeking low interest economic development loans. Failure to improve its financial condition could result in the Company having to curtail or cease operations. Additionally, even if the Company meets its objectives as outlined above, there can be no assurances that these measures will be sufficient to enable it to develop business to a level where it will generate profits and cash flows to elevate the negative working capital. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be incurred should the Company be unable to continue as a going concern.

NOTE D - ACQUISITIONS

On January 1, 2003, the company acquired the assets of Miller

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

Investments, a real estate partnership controlled by the stockholders of the Company, and assumed its debt. An analysis of the acquisition is as follows:

Fair market value of Land and Buildings acquired	\$1,461,000
Checking account	2,385

Total assets	1,463,385
Less debt assumed	1,114,145

Mound Technologies equity issued	\$ 349,240
	=====

On May 1, 2003, the Company acquired Adimo Manufacturing Company (50% of which was controlled by a major stockholder of the company) and merged it into Freedom Products of Ohio, a newly formed subsidiary of the Company. An analysis of the acquisition is as follows:

Fair market value of assets acquired:

Equipment	\$ 783,374
Inventory	199,196
Accounts receivable	64,907

Total assets	\$1,047,477
	=====

Debt assumed:

Bank loans	\$ 897,477
Vendor note payable	150,000

Total debt	\$1,047,477
	=====

13

MOUND TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2003

NOTE E - INVENTORY

Inventory consists of the following at December 31, 2003:

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

Finished units	\$ 594,133
Component parts	113,540
Reserve for obsolescence	(88,481)

	\$ 619,192
	=====

NOTE F - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at December 31, 2003 :

Land	\$ 73,400
Buildings	762,600
Office equipment	120,388
Machinery and equipment	397,580
Transportation equipment	105,699
Leasehold improvements	33,134

	1,492,801
Less accumulated depreciation	510,219

	\$ 982,582
	=====

NOTE G - NOTES PAYABLE TO VENDORS

The Company has notes payable to vendors who supply raw materials. The note agreements were executed March 2002. The Company has not met its obligations under the notes and, as a result, 15% interest has been accrued under the terms of the notes. The balance of the notes including interest at December 31, 2003 is \$325,000. Subsequent to the balance sheet date, the vendor, O'Neil Steel, Inc. has secured a judgment against the Company in the amount of \$140,000. The Company recently renegotiated the notes reducing the balance due to \$235,000 and has paid \$60,000 against this amount. The balance is due in three subsequent payments by July 12, 2004.

NOTE H - LONG-TERM DEBT

Long-term debt of the Company at December 31, 2003 is as follows:

Installment loan	\$ 16,386
Building mortgages	508,700
Stockholder loans	466,292

	991,378
Less current portion	29,450

\$ 961,928
=====

14

MOUND TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2003

NOTE H - LONG-TERM DEBT (CONTINUED)

The installment loan is for the purchase of a company vehicle. The original loan dated April 9, 2001 was for \$30,724 and was interest free. The loan is secured by the vehicle and requires monthly payments of \$512 per month for 60 months.

The building mortgages consist of two individual mortgages:

One dated March 15, 2002 for \$243,750 at a rate of 7.5% for 15 years requiring monthly payments including interest of \$2,260. The mortgage is secured by a building in Ohio.

One dated April 29, 2002 for \$300,000 at a rate of 7.25% for 15 years requiring monthly payments including interest of \$2,739. The mortgage is secured by a building in Ohio.

The stockholder loans in the aggregate of \$466,292, have no repayment provisions or stated interest rates. The stockholders have agreed to convert the loans into equity of the parent company, International Wireless, Inc. Had interest been accrued on the loans, the annual interest expense at 6% would approximate \$27,980.

Required annual principal payments over the next five years are as follows:

Year	Amount
----	-----
2004	\$29,450
2005	31,225
2006	31,086
2007	29,045
2008	31,257
Thereafter	-

NOTE I - INCOME TAXES

The Company has adopted Financial Accounting Statement No. 109 (SFAS No. 109). Under this method, the Company recognizes a deferred tax liability or asset for temporary differences between the tax basis of an asset or liability and the related amount reported on the financial statements. The principal types of differences, which are measured at the current tax rates, are net operating loss carry forwards. At December 31, 2003, these differences resulted in a deferred tax asset of approximately \$1,500,000. SFAS No. 109 requires the establishment

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

of a valuation allowance to reflect the likelihood of realization of deferred tax assets. Since realization is not assured, the Company has recorded a valuation allowance for the entire deferred tax asset, and the accompanying financial statements do not reflect any net asset for deferred taxes at December 31, 2003.

The Company's net operating loss carry forwards amounted to approximately \$5,600,000 at December 31, 2003 which will expire by 2018.

NOTE J - RELATED PARTY TRANSACTIONS

During the year, the stockholders advanced the Company additional working capital of \$441,292 to operate the business. The total cumulative amount of advances is \$466,290. The advances have no repayment

15

MOUND TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2003

NOTE J - RELATED PARTY TRANSACTIONS (CONTINUED)

dates. The stockholders have agreed to convert the advances to preferred or common stock of the parent company, International Wireless, Inc.

NOTE K - STOCKHOLDERS' DEFICIT

On January 1, 2003, the company acquired the assets of Miller Investments, a real estate partnership controlled by the stockholders of the company and assumed its debt. Additional paid-in capital was issued in the amount of \$349,200.

On January 1, 2003, the assets, liabilities and equity of Mound Steel, Inc. were merged into Mound Technologies, Inc., a newly incorporated company.

During the year, the stockholders contributed \$3,686,600 in cash and marketable securities in return for 1,000 shares of Mound Technologies, Inc. stock.

NOTE L - RENT EXPENSE

The Company has an informal agreement with a leasing company, owned by the Company's president, to pay \$15,000 per month for warehouse and office space. The lease is month to month and not covered by a written agreement.

NOTE M - DISCONTINUED OPERATIONS

The Company acquired on May 1, 2003, Adimo Manufacturing Company, a company in which a major shareholder of the Company owned a 50% interest, and merged it into Freedom Products of Ohio, a newly formed subsidiary of the Company (See note D of the Financial Statements.) At December 31, 2003, the Company decided to discontinue the operations of this subsidiary and sell the operating assets due to a lack of

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

sales and the high operating costs necessary to continue the operations at the facility for the products manufactured. The Company is seeking to sell the equipment and has made a provision to reduce the asset costs (machinery and equipment) to their approximate liquidation value.

NOTE N - COMPANY BACKLOG

At the date of the report, the Company has orders in process for approximately \$3,300,000.

NOTE O - LEGAL MATTERS

The Company is in negotiation on several matters relating to payments for goods and services. The total amount of the litigation approximates \$25,000. See note G to the financial statements for judgment and renegotiation of note payable to O'Neil Steel, Inc.

16

b. Pro Forma Financial Information.

INTERNATIONAL WIRELESS, INC. December 31, 2003

The below pro-forma statement combines the balance sheets of International Wireless, Inc. at December 31, 2003 and Mound Technologies, Inc. which was acquired on December 15, 2003.

PRO-FORMA BALANCE SHEET

	International Wireless, Inc. -----	Mound Technologies, Inc. -----	Pro-F Adjust -----
ASSETS			
CURRENT ASSETS			
Cash		\$ 4,923	
Marketable securities		3,020	
Accounts receivable, net of allowance		1,120,182	
Inventory		619,192	

Total Current Assets		1,747,317	
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation		982,502	
OTHER ASSETS			
Deposits		1,000	
Investment in Mound Technologies, Inc.	\$ 12,560		\$ (12,
Goodwill			586,
		-----	-----
Total Assets	\$ 12,560	\$2,730,819	\$ 573,
	=====	=====	=====

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

Bank overdraft	\$ 4,625		
Notes payable to vendors	15,000	\$325,000	
Current portion of long-term debt		29,450	
Accounts payable	427,228	1,115,070	
Payroll taxes	71,103	527,355	
Accrued salary and wages	73,242	38,400	
Billings in excess of cost		156,507	
Accrued expenses		150,605	
Accrued income taxes	36,126		
Notes payable to related parties	77,188		
	-----	-----	-----
Total Current Liabilities	704,512	2,342,387	
LONG-TERM DEBT		961,928	
STOCKHOLDERS' EQUITY			
Preferred stock, \$0.001 par value			
5,000,000 shares authorized,			
none issued and outstanding			
Common stock, \$0.001 par value			
100,000,000 shares authorized;			
13,077,758 issued and outstanding	13,077	1	\$
Paid-in-capital	11,304	5,031,389	(5,031,
Accumulated deficit	(716,333)	(5,604,886)	5,604,
	-----	-----	-----
Total Shareholders' Deficit	(691,952)	(573,496)	
	-----	-----	-----
Total Liabilities and Stockholders' Deficit	\$ 12,560	\$2,730,819	\$ 573,
	=====	=====	=====

(A) To eliminate acquisition equity of Mound Technologies, Inc. and record acquired good will.

See accompanying notes to pro-forma financial statement.

17

INTERNATIONAL WIRELESS, INC.
December 31, 2003

NOTES TO PRO-FORMA FINANCIAL STATEMENT

NOTE A - ACQUISITION OF MOUND TECHNOLOGIES

On December 15, 2003, the Company acquired 100% of the issued and outstanding stock of Mound Technologies, Inc. ("Mound") for an aggregate purchase price of 1,256,000 shares of the Company's common stock to be issued to the stockholders of Mound. Mound, a Nevada corporation, is a steel fabricator meeting industrial and architectural standards for commercial buildings. The acquisition is being accounted for as a purchase under SFAS No. 141, Business Combinations. Since the acquisition occurred on December 15, 2003, it was not included in the accompanying financial statements since the period of inclusion was not deemed significant.

The allocation of the purchase price was as follows:

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

Value of 1,256,000 shares of common stock at \$0.01 per share	\$ 12,560 =====
Fair value of net assets allowed as follows:	
Cash	\$ 4,923
Marketable securities	3,020
Accounts receivable	1,120,182
Inventory	619,192
Equipment	982,502
Deposits	1,000
Liabilities assumed	(3,304,315)
Goodwill	586,056

	\$ 12,560 =====

Condensed results of operations for the year ended December 31, 2003 of Mound are as follows:

Net sales	\$ 4,428,836
Cost and expenses	
Cost of good sold	4,055,404
Selling, general and administrative expenses	1,281,975
Depreciation and amortization	64,400

Total Cash and Expenses	5,401,779

Operating loss	(972,943)
Non-operating expenses	(537,507)

Net Loss	\$(1,510,450) =====
Pro forma:	
Earnings per share (basic and diluted)	\$ (0.80)

Average shares outstanding, after reverse split	1,891,367 =====

18

Exhibits:

Not Applicable.

ITEM 8. CHANGE IN FISCAL YEAR.

Not applicable.

ITEM 9. REGULATION FD DISCLOSURE

Edgar Filing: INTERNATIONAL WIRELESS INC - Form 8-K/A

Not applicable

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: June 1, 2004

International Wireless, Inc.

(Registrant)

/s/ Trent Sommerville

Trent Sommerville, CEO

/s/ Jerry Gruenbaum

Jerry Gruenbaum
Corporate Secretary