

Alliance Creative Group, Inc.
Financial Statements
For the Quarter Ended
March 31, 2011

Nosek & Associates
Certified Public Accountants

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To the Board of Directors:

May 13, 2011

Alliance Creative Group, Inc.
1000 E. State Parkway Suite A
Schaumburg, Il. 60173

We have compiled the accompanying consolidated balance sheet of Alliance Creative Group Inc. as of March 31, 2011, and the related statements of income, retained earnings, and cash flows for the period then ended (and supplementary information), in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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



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Alliance Creative Group, Inc.
 Consolidated Statement of Assets, Liabilities and Retained
 Earnings
 As of March 31, 2011

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	\$ 279,564
Accounts Receivable	1,557,031
Other Current Assets	
Inventory	509,998
Loans and Notes Receivables	142,226
Investment	100,000
Total Other Current Assets	<u>752,223</u>
Total Current Assets	<u>2,588,818</u>
Fixed Assets	
Furniture & Fixtures	3,811
Autos	218,664
Machinery & Equipment	26,551
Total Fixed Assets	<u>249,027</u>
Other Assets	
Security Deposits	3,412
Organizational Costs	32,500
Goodwill	1,123,464
Total Other Assets	<u>1,159,376</u>
TOTAL ASSETS	<u>\$ 3,997,221</u>

Alliance Creative Group, Inc.
Consolidated Statement of Assets, Liabilities and Retained
Earnings
As of March 31, 2011

	<u>Total</u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 1,253,496
Line of Credit	\$ 613,644
Accrued Taxes	6,679
Accrued Expenses	-
Total Current Liabilities	<u>1,873,819</u>
Long Term Liabilities	
Note Payable - Golden State 2004	253,299
Note Payable - Golden State debenture	143,847
Note Payable - Auto Loans	129,115
Note Payable - STLK	310,000
Notes Payable	566,502
Note Payable - Promissory Note	193,658
Total Long Term Liabilities	<u>1,596,421</u>
Total Liabilities	<u>\$ 3,470,240</u>
Equity	
Retained Earnings	(9,796,664)
Additional Paid in Capital	10,151,848
Common Stock	37,060
Preferred Stock	7,400
Net Income	127,337
Total Equity	<u>\$ 526,981</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 3,997,221</u>

Shares Outstanding 3,706,026

Alliance Creative Group, Inc.
 Consolidated Statement of Income and Loss
 As of March 31, 2011

	For the quarter ending 3/31/2011	Year-to-Date 03/31/11
<u>Income</u>		
Revenue	\$ 1,911,883	\$ 1,911,883
Cost of Goods Sold	<u>1,450,005</u>	<u>\$ 1,450,005</u>
Gross Profit	461,877	\$ 461,878
Operating Expenses	334,614	\$ 334,614
Other Income/(Expense)	73	\$ 73
Net Income	<u><u>127,336</u></u>	<u><u>127,337</u></u>

Alliance Creative Group, Inc.
Consolidated Statement of Cash Flows
As of March 31, 2011

	<u>Total</u>
OPERATING ACTIVITIES	
Net Income	\$ 127,337
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Increase/Decrease in Accounts Receivable	(118,418)
Increase/Decrease in Inventory	15,417
Increase/Decrease Prepaid Expenses	-
Increase/Decrease in Accounts Payable	66,083
Increase/Decrease in Accrued Expenses	(52,610)
Increase/Decrease in Investments	100,000
Increase/Decrease in Other Current Liabilities	(53,010)
Net cash provided by operating activities	<u>84,799</u>
INVESTING ACTIVITIES	
Increase/Decrease in Buildings	-
Increase/Decrease in Computers	-
Increase/Decrease Furniture & Fixtures	-
Increase/Decrease Mach. & Equip	-
Increase/Decrease in Goodwill	-
Increase/Decrease in Organizational Costs	-
Increase/Decrease Security Deposits	-
Net cash provided by investing activities	<u>-</u>
FINANCING ACTIVITIES	
Increase/Decrease in Notes Payable	(2,603)
Increase/Decrease in Mortgage Payable	-
Change in Capital Surplus	-
Change in Common Stock	-
Change in Preferred Stock	-
Net cash provided by financing activities	<u>(2,603)</u>
Net cash increase for period	<u>82,195</u>
Cash at beginning of the Period	<u>197,369</u>
Cash at end of period	<u>\$ 279,564</u>