

Alliance Creative Group, Inc.
Financial Statements
For the Quarter Ended
June 30, 2011

Nosek & Associates
Certified Public Accountants

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To the Board of Directors:

August 15, 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 June 30, 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.

Nosek & Associates

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Certified Public Accountants

Alliance Creative Group, Inc.
 Consolidated Statement of Assets, Liabilities and Retained
 Earnings
 As of June 30, 2011

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	\$ 208,070
Accounts Receivable	1,754,459
Other Current Assets	
Inventory	633,179
Loans and Notes Receivables	151,600
Investment	100,000
Total Other Current Assets	<u>884,779</u>
Total Current Assets	<u>2,847,308</u>
Fixed Assets	
Furniture & Fixtures	4,811
Autos - Six	218,664
Machinery & Equipment	119,551
Total Fixed Assets	<u>343,026</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>\$ 4,349,710</u>

Alliance Creative Group, Inc.
Consolidated Statement of Assets, Liabilities and Retained
Earnings
As of June 30, 2011

	<u>Total</u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 1,342,964
Line of Credit - Centrust Bank	\$ 507,394
Line of Credit - Equipment	\$ 41,277
Accrued Taxes	24,198
Accrued Expenses	-
Total Current Liabilities	<u>1,915,834</u>
Long Term Liabilities	
Note Payable - Golden State 2004	248,924
Note Payable - Golden State debenture	142,972
Note Payable - Six Auto Loans	120,064
Note Payable - STLK	310,000
Notes Payable	419,239
Note Payable - Promissory Note	193,658
Total Long Term Liabilities	<u>1,434,857</u>
Total Liabilities	<u>\$ 3,350,690</u>
Equity	
Retained Earnings	(9,796,664)
Additional Paid in Capital	10,416,534
Common Stock	51,118
Preferred Stock	7,400
Net Income	320,631
Total Equity	<u>\$ 999,019</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$ 4,349,710</u></u>

Shares Outstanding 5,111,788

Alliance Creative Group, Inc.
 Consolidated Statement of Income and Loss
 As of June 30, 2011

	For the quarter ending 6/30/2011	Year-to-Date 6/30/2011
<u>Income</u>		
Revenue	\$ 2,537,895	\$ 4,449,778
Cost of Goods Sold	<u>1,941,342</u>	<u>\$ 3,391,347</u>
Gross Profit	596,553	\$ 1,058,431
Operating Expenses	378,019	\$ 712,633
Other Income/(Expense)	(5,004)	\$ (4,931)
Net Income	<u>213,530</u>	<u>340,867</u>

Alliance Creative Group, Inc.
Consolidated Statement of Cash Flows
As of June 30, 2011

	<u>Total</u>
OPERATING ACTIVITIES	
Net Income	\$ 340,867
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Increase/Decrease in Accounts Receivable	(132,555)
Increase/Decrease in Inventory	(123,181)
Increase/Decrease Prepaid Expenses	
Increase/Decrease in Accounts Payable	89,468
Increase/Decrease in Accrued Expenses	17,519
Increase/Decrease in Investments	-
Increase/Decrease in Other Current Liabilities	17,519
Net cash provided by operating activities	<u>209,637</u>
INVESTING ACTIVITIES	
Increase/Decrease in Buildings	-
Increase/Decrease in Computers	-
Increase/Decrease Furniture & Fixtures	-
Increase/Decrease Mach. & Equip	(93,000)
Increase/Decrease in Goodwill	-
Increase/Decrease in Organizational Costs	-
Increase/Decrease Security Deposits	-
Net cash provided by investing activities	<u>(93,000)</u>
FINANCING ACTIVITIES	
Increase/Decrease in Notes Payable	(161,564)
Increase/Decrease in Mortgage Payable	(106,250)
Change in Capital Surplus	(138,222)
Change in Common Stock	4,375
Change in Preferred Stock	-
Net cash provided by financing activities	<u>(401,661)</u>
Net cash increase for period	<u>(285,024)</u>
Cash at beginning of the Period	<u>493,094</u>
Cash at end of period	<u>\$ 208,070</u>