

**Alliance Sports Group, L.P.**  
**Balance Sheets**

Prior Fiscal Y/E

	<b><u>December</u></b> <b><u>2011</u></b>	<b><u>March</u></b> <b><u>2011</u></b>	<b><u>Increase</u></b> <b><u>(Decrease)</u></b>	<b><u>% of</u></b> <b><u>Change</u></b>
<b><u>ASSETS</u></b>				
<i><b>Current Assets</b></i>				
Cash and cash equivalents	\$689,430	\$1,024,339	(\$334,909)	-32.7%
Trade accounts receivables	3,356,400	2,316,084	\$1,040,316	44.9%
Less - Allowances	(111,785)	(67,964)	(\$43,821)	64.5%
Trade accounts receivables, net	3,244,615	2,248,120	\$996,495	44.3%
Inventory	2,864,575	1,957,228	\$907,347	46.4%
Prepaid expenses	105,360	24,152	\$81,208	336.2%
Total current assets	6,903,980	5,253,839	\$1,650,141	31.4%
<i><b>Fixed assets, net</b></i>	221,556	192,321	\$29,235	15.2%
<i><b>Other assets</b></i>	906,632	651,945	\$254,687	39.1%
Total Assets	\$8,032,168	\$6,098,105	\$1,934,063	31.7%
<b><u>LIABILITIES AND CAPITAL</u></b>				
<i><b>Current Liabilities</b></i>				
Trade accounts payable	\$51,380	\$745,078	(\$693,698)	-93.1%
Accrued expenses	217,250	98,680	\$118,570	120.2%
Line of credit	400,000	1,200,000	(\$800,000)	-66.7%
Current maturities of notes payable	142,891	224,506	(\$81,615)	-36.4%
<i><b>Notes Payable, net of current portion</b></i>	30,112	30,112		
Total liabilities	841,633	2,298,376	(\$1,456,743)	-63.4%
<i><b>Partnership capital:</b></i>				
Partner's capital accounts	5,620,471	5,620,471	(\$19,160)	-0.3%
Net deficit in subsidiaries eliminated	(1,820,742)	(1,820,742)		0.0%
Retained year to date earnings	3,390,806		\$3,390,806	
Net partnership capital	7,190,535	3,799,729	\$3,390,807	89.2%
Total liabilities and capital	\$8,032,168	\$6,098,105	\$1,934,063	31.7%



**Alliance Sports Group L.P.**  
**Income Statements**

	Month Ended December 31 <u>2011</u>	Month Ended December 31 <u>2010</u>	One Month Ended December 31, 2011 vs December 31, 2010	
			Inc (Dec) <u>Amount</u>	Inc (Dec) <u>Percent</u>
Gross Sales	\$2,358,279	\$1,825,394	\$532,885	29.2%
Returns & Discounts	(83,187)	(\$76,519)	(6,668)	8.7%
Net sales	2,275,092	\$1,748,875	526,217	30.1%
Cost of Goods Sold at Standard	(1,010,313)	(\$796,474)	(213,839)	26.8%
Gross Profit at Standard	1,264,780	\$952,402	312,378	32.8%
<b>Gross Profit Margin at standard</b>	55.6%	54.5%	1.1%	2.1%
Variances	14,172	(\$21,377)	35,549	-166.3%
Production expenses	(4,379)	(\$9,166)	4,786	-52.2%
Total variances from standard	9,793	(\$30,543)	40,335	-132.1%
Gross Profit at Actual	1,274,572	\$921,859	352,713	38.3%
<b>Gross Profit Margin at actual</b>	56.0%	52.7%	3.3%	6.3%
Distribution Expenses	(152,417)	(\$131,196)	(21,221)	16.2%
Selling Expenses	(413,376)	(\$414,349)	974	-0.2%
General & Administrative Expenses	(188,817)	(\$163,059)	(25,757)	15.8%
Total DSG&A Expenses	(754,609)	(\$708,604)	(46,005)	6.5%
<b>Income before taxes and interest</b>	519,963	\$213,255	306,709	143.8%
Interest Expense	(5,613)	(\$17,857)	12,243	-68.6%
<b>Income before taxes</b>	514,350	\$195,398	318,952	163.2%
Provision for state income taxes	(19,160)		(19,160)	
<b>Net Income</b>	\$495,190	\$195,398	\$299,792	153.4%



# Alliance Sports Group L.P.

## Income Statements

	Nine Months Ended December 31 <u>2011</u>	Nine Months Ended December 31 <u>2010</u>	Nine Months Ended December 31, 2011 vs December 31, 2010	
			<u>Inc (Dec) Amount</u>	<u>Inc (Dec) Percent</u>
Gross Sales	\$17,709,621	\$12,051,116	\$5,658,505	47.0%
Returns & Discounts	(715,908)	(601,892)	(114,016)	18.9%
Net sales	16,993,713	11,449,224	5,544,489	48.4%
Cost of Goods Sold at Standard	(7,766,023)	(5,591,693)	(2,174,330)	38.9%
Gross Profit at Standard	9,227,690	5,857,531	3,370,159	57.5%
<b>Gross Profit Margin at standard</b>	54.3%	51%	3.1%	6.1%
Variances	125,638	(106,042)	231,680	-218.5%
Production expenses	(54,229)	(40,374)	(13,855)	34.3%
Total variances from standard	71,410	(146,416)	217,826	-148.8%
Gross Profit at Actual	9,299,100	5,711,115	3,587,985	62.8%
<b>Gross Profit Margin at actual</b>	54.7%	50%	4.8%	9.7%
Distribution Expenses	(930,268)	(812,989)	(117,279)	14.4%
Selling Expenses	(3,429,107)	(2,350,530)	(1,078,577)	45.9%
General & Administrative Expenses	(1,474,001)	(1,387,100)	(86,901)	6.3%
Total DSG&A Expenses	(5,833,376)	(4,550,619)	(1,282,757)	28.2%
<b>Income before taxes and interest</b>	3,465,724	1,160,496	2,305,228	198.6%
Interest Expense	(53,963)	(138,717)	84,754	-61.1%
<b>Income before taxes</b>	3,411,761	1,021,779	2,389,982	233.9%
Provision for state income taxes	(20,954)	-	(20,954)	
<b>Net Income</b>	<b>\$3,390,806</b>	<b>1,021,779</b>	<b>\$2,369,027</b>	<b>231.9%</b>



**Alliance Sports Group, L.P.**

**Consolidated Statement of Cash Flows**

**Nine Months Ended December 31, 2011**

	<b>Nine Months Ended December <u>2011</u></b>
<b><u>Cash Flow From Operating Activities:</u></b>	
Net income	\$3,390,806
<b><i>Adjustments to reconcile net income to net cash used by operating activities:</i></b>	
Depreciation	\$31,500
Amortization	\$1,620
Change in operating assets and liabilities:	
Accounts receivable	(\$996,495)
Inventories	(\$907,350)
Prepaid and other expenses	(\$81,208)
Accounts payable	(\$693,698)
Accrued expenses and other liabilities	\$118,570
<b>Net cash provided by operating activities</b>	<b>863,745</b>
<b><u>Cash Flow Used in Investing and Financing Activities:</u></b>	
Advances to principal owners	(\$250,000)
Deposits made on pending stock transactions	(\$8,000)
Notes Payable Activities	(\$879,919)
Purchases of property and equipment	(\$60,735)
<b>Net cash used in investing and financing activities</b>	<b>(1,198,654)</b>
Decrease in cash	(\$334,909)
Cash at beginning of period	1,024,339
Cash at end of period	<b>\$689,430</b>



Alliance Sports Group, L.P.

Consolidated Statement of Changes in Stockholders' Equity

Nine Months Ended December 31, 2011

	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total
Balance April 1, 2011	\$ 1,000	\$ -	\$ 3,855,163	\$ (56,434)	\$ 3,799,729
Common Stock Issued	\$ -				
Net Income			\$ 3,390,806		
	\$ 1,000	\$ -	\$ 7,245,969	\$ (56,434)	\$ 7,190,535