

EMPIRE FILM GROUP, INC.

**CONSOLIDATED BALANCE SHEET
FOR THE PERIOD ENDING SEPTEMBER 30, 2013
(UNAUDITED)**

ASSETS

CURRENT ASSETS

Cash	\$ 547
Accounts Receivable, Net	175,145
Contract Receivable	280,000
Note Receivable	199,665
Film Production Investments	1,049,618
Distribution Investment	2,088,262
Pro Releasing Investment	205,000

Total Current Assets 3,998,237

PROPERTY AND EQUIPMENT

Office Furniture, Fixtures and Equipment	7,200
Less Accumulated depreciation	(\$720)

Total Property and Equipment 6,480

OTHER ASSETS

Film and Television program library	9,548,602
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Total Other Assets \$ 9,548,602

13,553,319

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 6,867
Agile Note	550,000
Coventry Note	22,500
Interest Payable	78,900
Settlement Notes	<u>0</u>
Total Current Liabilities	<u>658,267</u>

LONG-TERM LIABILITIES

Long Term Payables	177,850
Executive Salary Deferrals	<u>1,812,955</u>
Total Long-Term Liabilities	<u>1,990,805</u>

2,649,072

SHAREHOLDERS' EQUITY

Common Stock (243,396,058) shares issued and outstanding)	9,620,181
Retained Earnings	<u>1,284,066</u>
Total Shareholders' Equity	13,553,319

EMPIRE FILM GROUP, INC.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING SEPTEMBER 30, 2013
(UNAUDITED)**

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income	\$ (9,346)
Adjustments to reconcile net income to net cash provided by (used for) operating activities:	
Depreciation	(500)
(Increase) Decrease in:	
Accounts receivable, trade	0
Contract receivable	
Inventory	1,850
Producer Recoupment	0
Prepaid advertising	0
Settlement	0
Increase (decrease) in:	
Accounts payable	(960)
Accrued interest payable	0
Accrued payables	
Accrued royalties	
Net cash provided (used for) operating activities	<u>(8,956)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Note receivable	0
Investment in films and television programs	7,500
Acquisition of property and equipment	0
Net cash (used for) investing activities	<u>7,500</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Issuance of shares of common stock	0
Notes payable	0
Net cash provided by (used for) financing activities	

INCREASE (DECREASE) IN CASH	0
CASH, BEGINNING OF PERIOD	<u>3</u>
CASH, END OF PERIOD	<u>\$ 547</u>

EMPIRE FILM GROUP, INC.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING SEPTEMBER 30, 2013
(UNAUDITED)**

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for:

Interest	<u><u>\$ 0</u></u>
Income taxes	<u><u>\$ 0</u></u>

EMPIRE FILM GROUP, INC.

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDING SEPTEMBER 30, 2013
(UNAUDITED)**

REVENUES	
Product Sales	\$0
Other Income	\$0
TOTAL REVENUES	0
COST OF SALES	
Commissions	0
Sales and Marketing	1,200
Production	0
Freight	0
Public Relations	0
Other Expense	3,785
TOTAL COST OF SALES	<u>\$4,985</u>
GROSS PROFIT	(\$4,985)
GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$4,361</u>
INCOME (LOSS) FROM OPERATIONS	(\$9,346)
OTHER INCOME (EXPENSE)	<u>\$0</u>
INCOME OR LOSS BEFORE INCOME TAXES	(\$9,346)
PROVISION FOR INCOME TAXES	<u></u>
NET INCOME OR LOSS	(\$9,346)
RETAINED EARNINGS, BEGINNING OF PERIOD	<u>\$1,293,412</u>
RETAINED EARNINGS, END OF PERIOD	<u><u>\$1,284,066</u></u>

EMPIRE FILM GROUP, INC.

**GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE PERIOD ENDING September 30, 2013
(UNAUDITED)**

GENERAL AND ADMINISTRATIVE EXPENSES

Bank Charges	\$ 57
Credit Card	0
Employees	0
Entertainment	1,070
Fees	0
Insurance	0
Labor	0
Legal and Accounting	2,306
Legal Settlement	0
Miscellaneous	0
Office	0
Rent	0
Taxes	0
Telephone	678
Travel	0
Utilities	250
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Total general and administrative expenses	\$ <u>4,361</u>

EMPIRE FILM GROUP, INC.

**STATEMENT OF CHANGES IN SHAREHOLDERS
FOR THE PERIOD ENDING SEPTEMBER 30, 2013
(UNAUDITED)**

	<u>Shares of Common Stock Issued</u>	<u>Retained Earnings</u>	<u>Stockholders Equity</u>
Balance at 6/30/2013	243,396,058	\$1,293,412	\$13,545,995
Net Income for Period	\$ (9,346)		
Stock Issued	0		
Balance at 9/30/2013	243,396,058	\$1,284,066	\$13,553,319