

INNOVATIVE HEALTH SCIENCES, INC.
Balance Sheet
As of June 30, 2010

Assets			
Current Assets			
Cash		\$	10,251
Accounts Receivable	72,500		0
Inventory			
Finished Goods	<u>\$ 133,000</u>		
Total Inventory		\$	133,000
Property & Equipment			
Furniture & Equipment	\$ 6,200		
Software Development Cost	3,150		
Accumulated Depreciation	<u>1,637</u>	\$	10,987
Total Assets		<u>\$</u>	<u>154,238</u>

Liabilities and Stockholders' Equity

Current Liabilities			
Cash Overdrafts		\$	0
Accounts Payable			26,781
Accrued Payroll			90,000
Accrued Interest Payable			<u>67,700</u>
Total Current Liabilities		\$	184,481
Long-term debt, loans payable stockholders		\$	1,496,901
Stockholders' Equity			
Common stock - par value 0.001			
Paid in capital		\$	49,902
Additional paid in capital			
Issuance of new shares			0
Retained earnings			<u>(1,577,046)</u>
Total Stockholders' Equity		<u>\$</u>	<u>(1,527,144)</u>
Total Liabilities and Stockholders' Equity		<u>\$</u>	<u>154,238</u>

UNAUDITED

INNOVATIVE HEALTH SCIENCES, INC.
Income Statement
Three Months ending June 30, 2010

Income		
Sales	\$	33,824
Cost of Goods Sold		<u>76,251</u>
Gross Profit	\$	(42,427)
Operating Expenses		
Automobile	\$	2,242
Depreciation		165
Interest		33,924
General & Administrative		16,240
Officer Payroll		45,000
Office Expense		315
Travel		<u>2,895</u>
Total Operating Expenses	\$	100,781
Net Profit/(Loss)	\$	(143,208)
Retained earnings, beginning of year		<u>(1,433,838)</u>
Retained earnings		<u><u>\$ (1,577,046)</u></u>

UNAUDITED

INNOVATIVE HEALTH SCIENCES, INC.
Statement of Cash Flows
January through June 30, 2010

Cash flow from Operating Activities		
Net Income/(Loss)	\$	(143,208)
Adjustments to reconcile net income		
Depreciation	\$	165
Accounts Receivable		(500)
Inventory		(12,000)
Accounts Payable		1,921
Accrued Payroll		45,000
Interest Payable		40,494
Net cash provided by Operating Activities	\$	<u>(68,128)</u>
 Financing Activities		
Loans	\$	78,179
Paid in Capital		0
Net cash provided by Financing Activities		<u>78,179</u>
 Net Cash		<u>10,051</u>
 Cash at beginning of period	\$	200
 Cash at end of period	\$	<u><u>10,251</u></u>

UNAUDITED

INNOVATIVE HEALTH SCIENCES, INC.
Statement of Stockholders Equity
As of June 30, 2010

	Shares Outstanding	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total
Balance, January 1, 2010	128,598	\$ 49,902		\$ (1,433,838)	\$ (1,383,936)
Shares Issued	1,420,476,000	\$ -	\$ -		\$ -
Shares Cancelled	-	\$ -			\$ -
Net Loss		\$ -		\$ (143,208)	\$ (143,208)
Balance, March 31, 2010	1,420,604,598	\$ 49,902	\$ -	\$ (1,577,046)	\$ (1,527,144)

Unaudited