

DELIVERY TECHNOLOGY SOLUTIONS, INC.

as of June 30, 2010

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These financial statements and notes thereto present fairly, in all material respects, the financial position of the company and the results of its operations and cash flows for the period represented, in conformity with accounting principals generally accepted in the United States, consistently applied.

DELIVERY TECHNOLOGY SOLUTIONS, INC.
FINANCIAL STATEMENTS
As of June 30, 2010
(Unaudited)
BALANCE SHEET

ASSETS

CURRENT ASSETS

Cash	\$	1,269
Accounts Receivable		7,754
Other Receivable		16,518
Inventory		-
Prepaid Accounts & Advances		6,461
		32,002

FIXED ASSETS – at cost		478,729
Less Accumulated Depreciations		312,430
		166,299

OTHER ASSETS – Security Deposits		6,046
		6,046

\$ 204,347

LIABILITIES AND SHAREHOLDERS'S EQUITY

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	\$	461,254
Other Payables		59,181
Notes Payable		2,168,033
Taxes Payable		92,859
		2,781,328

LONG TERM LIABILITIES		-
		2,781,328

SHAREHOLDERS EQUITY

CAPITAL STOCK

Common Stock, authorized shares -1,500,000,000		
Issued and outstanding – 478,707,416		973,926

Additional Paid-In Capital		18,568,145
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DEFICIT	-	21,936,000
		- 2,576,981

\$ 204,347

The accompanying notes are an integral part of these
Financial Statements.

DELIVERY TECHNOLOGY SOLUTIONS, INC.
FINANCIAL STATEMENTS
As of June 30, 2010
(Unaudited)
STATEMENTS OF EARNINGS AND RETAINED EARNINGS

EARNINGS	Q2	YTD
REVENUE		
Sales	\$ 36,520	\$ 43,241
TOTAL SALES	36,520	43,241
COST OF SALES		
Cost of Sales	33,540	33,540
TOTAL COST OF SALES	33,540	33,540
GROSS PROFIT	2,980	9,701
OPERATING EXPENSE		
Administrative Expenses	294,575	587,247
Selling Expenses	0	39,699
	294,575	626,946
OPERATING INCOME & EXPENSES	-	-
NET OPERATING INCOME (LOSS)	-291,595	-617,245
NET INCOME (LOSS)	-291,595	-617,245
Deficit – Beginning of period	-21,644,405	-21,318,755
Deficit – End of period	-\$21,936,000	-\$21,936,000

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DELIVERY TECHNOLOGY SOLUTIONS, INC.
FINANCIAL STATEMENTS
As of June 30, 2010
(Unaudited)
STATEMENT OF CASH FLOWS

CASH FLOWS

Cash Flows from operating activities:	
Profit/Loss from Operations	-\$ 291,595
Adjustments to cash flows from operating activities:	
Amortization of goodwill	
Depreciation of fixed assets	
Cash flows from operating activities	<u>-\$ 291,595</u>
Cash flows from investing activities:	
Capital expenditures	4,340
Investment in inventory	
Increase in accounts receivable	9,913
Decrease in prepaid expenses	
Cash used in investing activities	<u>\$ 13,533</u>
Cash Flows from financing activities:	
Increase in accounts payable and accrued liabilities	-2,659
Increase in paid in capital	182,470
Increase in loans/notes payable	113,251
Cash used for financing activities	<u>\$ 293,062</u>
Net Increase (decrease) in cash	\$1,466
Cash at beginning of period	<u>-297</u>
Cash at end of period	<u><u>\$ 1,269</u></u>

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DELIVERY TECHNOLOGY SOLUTIONS, INC.
FINANCIAL STATEMENTS
As of June 30, 2010
(Unaudited)
STATEMENT OF SHAREHOLDERS EQUITY

	<u>COMMON STOCK</u>	<u>STOCK AMOUNT</u>	<u>PUC</u>	<u>R/E</u>	<u>TOTAL</u>
<u>OPENING BALANCE</u>	32,742,416	\$973,926	\$18,385,093	-\$21,644,405	-2,285,386
<u>Issuance of stock</u>	445,965,000				
<u>Net Profit/Loss</u>				-291,595	-291,595
<u>Balance June 2010</u>	478,707,416	\$973,926	\$18,385,093	-21,936,000	-\$2,576,981

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DELIVERY TECHNOLOGY SOLUTIONS, INC.

FINANCIAL STATEMENTS

As of June 30, 2010

(Unaudited)

NOTES TO FINANCIAL STATEMENTS

The Company has been engaged in the research, development, and marketing of proprietary software for initial use by the food service industry for online or call center ordering, large event catering orders for delivery or pick-up.

In August, 2009 we entered into a Pilot Test Agreement for the Washington, DC/Virginia markets with Doctors Associates, Inc. (DAI), commonly referred to as Subway, and in May, 2010 the Pilot Test Agreement was converted into a National Vendor contract which allows us to systematically rollout our solution to the DAI system. The contract was for use of our proprietary software technology and management solutions to manage large event catering and local restaurant delivery. Under the terms of the agreements DTSL developed and is putting into use its online ordering technology as well as its call center operations, while integrating the technology at the restaurant level.

The proprietary software is designed to map out a delivery area around each participating location, provide direct printing of orders to the point of sale computer system, establish a data base of users and provide call center support for large and small catering events for both business and home use.

In 2010, the company continues to diversify our activities. Managements plan is to engage in more value added services to existing end users DAI and National Cinema Media (NCM) while expanding to other food service brands and industries.

We plan to continue expanding our product base and selling our product to more users inside and outside the Food Service industry and provide outside sales experience for catering to other well know national brands. There is no guarantee that we will succeed in implementing this strategy or if implemented, that this strategy will be successful.

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Financial Statements.