EN POINTE GLOBAL SERVICES, LLC.
FINANCIAL STATEMENTS
MARCH 31, 2010

EN POINTE GLOBAL SERVICES, LLC

CONTENTS

ROSE, SNYDER & JACOBS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members
En Pointe Global Services, LLC

We have audited the accompanying balance sheet of En Pointe Global Services, LLC (a Limited Liability Company) as of March 31, 2010, and the related statements of operations and members' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of En Pointe Global Services, LLC, as of March 31, 2010, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Rose, Snyder & Jacobs

Rose, Snyder & Jacobs
A Corporation of Certified Public Accountants

Encino, California

September 1, 2010

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EN POINTE GLOBAL SERVICES, LLC
BALANCE SHEET
MARCH 31, 2010

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 852,641
Accounts receivable, net of allowance for doubtful accounts of $389,166	11,711,415
Receivables from related parties	185,821
Inventory	161,961
Other receivables	41,121
Prepaid expenses	194,076
TOTAL CURRENT ASSETS	13,147,035
PROPERTY AND EQUIPMENT, at cost	
Computer equipment	314,884
Computer software	549,567
Warehouse equipment	170,588
Leasehold improvements	280,094
Assets in development	457,400
Office furniture and other equipment	160,014
	1,932,547
Less accumulated depreciation and amortization	(610,146)
TOTAL PROPERTY AND EQUIPMENT	1,322,401
OTHER ASSETS	
Deposits	99,700
TOTAL OTHER ASSETS	99,700
TOTAL ASSETS	$ 14,569,136

LIABILITIES & MEMBERS' EQUITY

CURRENT LIABILITIES	
Accounts payable	$ 5,427,713
Accrued salary and employee benefits	1,386,612
Other accrued expenses	39,297
Deferred revenue	475,254
Due to related party	1,325,000
TOTAL CURRENT LIABILITIES	8,653,876
COMMITMENTS AND CONTINGENCIES, note 2	
MEMBERS' EQUITY	5,915,260
TOTAL LIABILITIES & MEMBERS' EQUITY	$ 14,569,136

See independent auditors' report and notes to financial statements.

EN POINTE GLOBAL SERVICES, LLC
STATEMENT OF OPERATIONS AND MEMBERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2010

REVENUE	$ 41,122,493
COST OF REVENUE	25,675,723
GROSS PROFIT	15,446,770
OPERATING EXPENSES	15,136,467
INCOME FROM OPERATIONS	310,303
OTHER INCOME (EXPENSES)	
Interest income	893
Interest expense	(74,781)
Other expense	(21,889)
TOTAL OTHER INCOME (EXPENSES)	(95,777)
INCOME BEFORE PROVISION FOR INCOME TAXES	214,526
Provisions for income taxes, LLC fees	24,438
NET INCOME	190,088
MEMBERS' EQUITY AT APRIL 1, 2009	2,700,172
CAPITAL CONTRIBUTIONS	3,025,000
MEMBERS' EQUITY AT MARCH 31, 2010	$ 5,915,260

See independent auditors' report and
notes to financial statements.

EN POINTE GLOBAL SERVICES, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	$ 190,088
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	377,817
Bad debts	4,778
Loss on sale of fixed assets	14,898
(Increase) decrease in:	
Accounts receivable	(4,759,152)
Other receivables	(44,538)
Inventory	26,399
Employee advances and other receivables	(32,817)
Deposits	(67,175)
Prepaid expenses	171,038
Increase (decrease) in:	
Accounts payable	5,176,970
Accrued salary and employee benefits	(124,152)
Other accrued expenses	(74,435)
Deferred revenue	342,123
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,201,842
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(501,560)
Proceeds from sale of property and equipment	28,527
NET CASH USED IN INVESTING ACTIVITIES	(473,033)
CASH FLOWS FROM FINANCING ACTIVITIES	
Advance from member	1,325,000
Payments to related party	(4,284,873)
Contributions from member	3,025,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	65,127
NET INCREASE IN CASH	793,936
CASH, beginning of period - April 1, 2009	58,705
CASH, end of period - March 31, 2010	$ 852,641
Supplemental disclosures:	
Interest paid in cash	$ 73,888
Income taxes paid in cash	$ 24,438

See independent auditors' report and
notes to financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

En Pointe Global Services, LLC ("EPGS" or the "Company"), was formed in California as a limited liability company on July 2, 2008. The company is an IT solution and outsourced managed services provider to commercial enterprises, government agencies and educational institutions nationwide. EPGS enables its customers to reduce their total cost of ownership and improve end-user support through a broad catalog of service offerings.

EPGS IT management and support services deliver comprehensive, strategic and focused tools to improve the internal operations of its customers technology and business systems. The EPGS menu of remote & onsite services include IT Life Cycle Services, Client Services, Managed Security and Infrastructure Management and Optimization Services.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers cash equivalents to include short-term, highly liquid investments with an original maturity of three months or less. At times, the Company maintains cash and cash equivalent balances with financial institutions that exceed federally insured limits. The Company has not experienced any losses related to these balances, and management believes its credit risk is minimal.

Accounts Receivable

Accounts receivable are customer obligations due under normal trade terms. Management reviews accounts receivable on a regular basis to determine if any such amounts will potentially be uncollectible, based on contracted terms and how recently payments have been received. The Company includes any balances that are determined to be uncollectible in its allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off. Based on the information available, management believes the Company's accounts receivable, net of allowance for doubtful accounts, are collectible.

Inventory

Inventory consists of finished goods, which is stated at the lower of cost or market using the first-in, first-out method.

Shipping and Handling

Shipping and handling costs are recorded as part of cost of revenue and amounted to $1,453,024 for the year ended March 31, 2010.

Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over their estimated useful lives of three to seven years. Leasehold improvements are amortized using the straight-line method over the shorter of the lease terms or the useful lives of the improvements. Expenses for repairs and maintenance are charged to expense as incurred, while renewals and betterments are capitalized. Gains or losses on the sale or disposal of property and equipment are reflected in operating income.

The Company accounts for computer software costs developed for internal use in accordance with accounting principles generally accepted in the United States, which require companies to capitalize certain qualifying costs during the application development stage of the related software development project and to exclude the initial planning phase that determines performance requirements, most data conversion, general and administrative costs related to payroll and training costs incurred. Whenever a software program is considered operational, the Company considers the project to be completed, places it into service, and commences amortization of the development cost in the succeeding month.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Company recognizes revenue from information technologies services as the services are provided. Service revenues are recognized based on contracted hourly rates, as services are rendered or upon completion of specified contracted services and acceptance by the customer. Deferred revenue results from customer prepayment of services and maintenance contracts. Many management services are pre-billed quarterly and income is recognized as services are performed. The Company's maintenance contracts are generally for services that may be performed over a one year period of time. Income is recognized on such contracts ratably over the period of the contract.

Income Taxes

The Company is a Limited Liability Company and is not liable for federal income taxes, but is annually liable for a minimum state franchise tax of $800, plus an annual fee based upon gross revenue. The annual fee and the state franchise tax totaled $24,438 for fiscal year 2009.

The Company has adopted guidance issued by the Financial Accounting Standards Board ("FASB") that clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold of more likely than not and a measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In making this assessment, a company must determine whether it is more likely than not that a tax position will be sustained upon examination, based solely on the technical merits of the position and must assume that the tax position will be examined by taxing authorities. The Company's policy is to include interest and penalties related to unrecognized tax benefits in income tax expense. Interest and penalties totaled $4,609 for the year ended March 31, 2010. The Company files income tax returns with the Internal Revenue Service ("IRS"), the state of California and the other states where the Company conducts business. For jurisdictions in which tax filings are prepared, the Company is subject to income tax examinations by state tax authorities and by the IRS for all tax years.

Use of Estimates

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts in the financial statements and accompanying notes. The Company bases its estimates and judgments on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances. GAAP requires the Company to make estimates and judgments in several areas, including those related to the recoverability of accounts receivable, inventory obsolescence, technological feasibility and the economic life of property and equipment. These estimates are based on management's knowledge about current events and expectations about actions the Company may undertake in the future. Actual results could differ materially from those estimates.

Fair Value of Financial Instruments

The Company measures its financial assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., exit price) in an orderly transaction between market participants at the measurement date. Additionally, the Company is required to provide disclosure and categorize assets and liabilities measured at fair value into one of three different levels depending on the assumptions (i.e., inputs) used in the valuation. Level 1 provides the most reliable measure of fair value while Level 3 generally requires significant management judgment.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The fair value hierarchy is defined as follows:

Level 1 – Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Valuations are based on quoted prices for similar assets or liabilities in active markets, or quoted prices in markets that are not active for which significant inputs are observable, either directly or indirectly.

Level 3 – Valuations are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate of what market participants would use in valuing the asset or liability at the measurement date.

The following table summarizes fair value measurements at March 31, 2010 for assets and liabilities measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 852,641	$ -	$ -	$ 852,641

The carrying amount of certain of the Company's financial instruments, including accounts receivable and accounts payable approximates fair value due to the relatively short maturity of such instruments.

2. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases facilities from unrelated and related parties. Monthly base rental payments for the Company's facilities range from $70,423 to $95,484. The Company is also responsible for its share of operating expenses, including taxes and insurance. Future minimum payments under leases with a term greater than one-year as of March 31, 2010 are as follows:

Years ending March 31,	Non-Related Party	Related Party	Total
2011	$ 483,098	$ 326,452	$ 809,550
2012	99,504	321,848	421,352
2013	52,128	331,504	383,632
2014	-	341,449	341,449
2015	-	202,621	202,621
Total	$ 634,730	$ 1,523,874	$ 2,158,604

Rent expense amounted to $979,913 for the year ended March 31, 2010, of which $408,715 related to En Pointe Sales Technologies, Inc., a minority member of EPGS.

Legal Matters

From time to time, the Company may get involved in legal proceedings and litigation in the normal course of business. The Company is currently not involved in any legal proceedings and litigation.

3. CONCENTRATIONS

Customers

For the year ended March 31, 2010, the Company had two customers who represented 24% of sales. The same two customers accounted for 44% of outstanding accounts receivable, and another customer accounted for 25% of outstanding accounts receivable at March 31, 2010. Please refer to note 5.

Suppliers

For the year ended March 31, 2010, the Company had two major suppliers who represented 46% of net purchases. Please refer to note 5.

4. EMPLOYEE BENEFIT PLAN

The Company has an employee savings plan (the "401(k) Plan") that covers substantially all full-time employees who are twenty-one years of age or older. The Company's contributions to the 401(k) Plan are at the discretion of the Board of Directors and vest over seven years of service. To date the Company has made no contributions to the 401(k) Plan.

5. RELATED PARTY TRANSACTIONS

En Pointe Technologies Sales, Inc. ("EPTS") is a member of EPGS with a 19.5% interest ownership in EPGS. EPTS performs a number of services (e.g. telecommunications, infrastructure management, offshore Help Desk, billing & accounting support, etc.) for EPGS under a Master Services Agreement ("MSA"). These services amounted to $5,379,161 for the year ended March 31, 2010. (To a lesser extent EPGS also performs services (configuration, packaging, trucking & delivery, etc.) for EPTS and incurs expenses (warehouse maintenance & security, equipment rentals, etc.) on behalf of EPTS. EPGS invoices EPTS on a monthly basis for such activities.

EPGS also purchases service parts from EPTS. Should these parts had been purchased from a different vendors, the price might have been different. For service part purchases that EPTS fills through their major vendors (Apple, Dell, Fujitsu, HP, etc), no markup is charged to EPGS. For all other vendors, EPTS charges a nominal fee of 5% over cost. For the most part, EPGS utilizes this arrangement in situations where EPGS has not qualified to be an authorized service & parts provider (ASP) for a particular manufacturer. EPGS continues the process of securing ASP status with manufacturers to reduce costs and increase efficiency. Total service parts purchased from EPTS totaled $86,692 for the year ended March 31, 2010.

Furthermore, for the EPTS existing accounts at the time EPGS was formed, and for which the service contracts have not been formally converted or assigned to EPGS, the services are billed by EPTS on behalf of EPGS. EPGS pays EPTS a commission fee on some of these accounts at a rate of 3% to 5%. The general terms of this commission agreement are outlined in the MSA. Any new service accounts referred in to by EPTS are subject to this same commission terms. (One account, Fleetwood, is subject to a different agreement and the commission due to EPTS is based on specific account margin.) Commissions earned by EPTS for the year ended March 31, 2010 totaled $1,565,154. EPGS has a net receivable due from EPTS of $1,704,056, which represents the excess collection of accounts receivable by EPTS over the service rendered by and parts purchased from EPTS. $1,683,970 of this balance is recorded as part of accounts receivable and $20,086 is recorded under receivables from related parties.

5. RELATED PARTY TRANSACTIONS (Continued)

Allied Digital Services Ltd. ("ADSL") is the managing member with 80.5% ownership interest in EPGS. ADSL provides to and receives from EPGS a number of services. These services may be provided in support of each other's customers or to support internal infrastructure. For example, En Pointe India, Pvt. Ltd., a wholly owned subsidiary of ADSL, provides SAP support services to EPGS. ADSL provides all services related to remote managed services, data centers & security services (NOC, SOC, etc.) – ADSL's main competencies. Pricing is negotiated through price quotes and services are bought & delivered by way of purchase orders from EPGS and vice versa. Most of these services are provided offshore but ADSL may also send engineers & developers to the U.S. if the need exists. EPGS billed $165,735 to ADSL for services rendered during the year ended March 31, 2010. ADSL billed EGPS $49,526 for the year ended March 31, 2010 for services related to internal infrastructure, and $3,182,062 related to servicing EPGS customer contracts, $3,033,933 of which is related to services to two specific customers for which EPGS billed $7,204,203 during the year ended March 31, 2010. ADSL has guaranteed the collection of these accounts receivable from these two customers.

As of March 31, 2010, EPGS has an accounts payable balance of $3,231,588 to ADSL. ADSL also advanced $1,325,000 to EPGS for working capital needs. This advance is non-interest bearing and is due on demand. At March 31, 2010, EPGS has a receivable balance of $165,735 from ADSL. EPGS, at March 31, 2010, also has an accounts payable balance of $173,337 to a wholly owned subsidiary of ADSL.

6. LOAN FACILITY AND SUBSEQUENT EVENTS

The Company secured a short term loan facility with Barclays Bank PLC on March 25, 2010 for the purposes of working capital financing. The facility has a limit of $4.75 million with a variable interest rate of 1.25% above the three month LIBOR in addition to any processing fees. The loan is guaranteed for up to $5 million by Allied Digital Services Ltd. and has not been drawn upon as of March 31, 2010.

The Company changed its name from En Pointe Global Services, LLC to Allied Digital Services, LLC in July 2010. This change was carried out to allow EPGS to take advantage of its parent company's global brand "Allied Digital".

The Company has evaluated subsequent events through September 1, 2010 which is the date the financial statements were available for issuance.