

iTeknik Holding Corporation
(a Wyoming Corporation)

Parent Company of
Send Global Corp.

ANNUAL REPORT

Financial Statements
For the 3 Months and Years Ended
June 30, 2012 and 2011

iTeknik Holding Corporation Annual Report
For the Fiscal Year 2012 – Ending June 30, 2012

Chairman's Letter to Shareholders

FY 2012 was another stellar year for iTeknik Holding Corporation . For the third year in a row, we have produced excellent financial results . In addition to increasing sales, we continue to be profitable and have significantly reduced debt.

	<u>FY 2012</u>	<u>FY 2011</u>	<u>FY 2010</u>
Sales	\$12,346,899	\$11,702,974	\$7,339,693
Operating expenses	\$1,356,179	\$1,428,674	\$1,023,101
Operating Income	\$150,373	\$253,377	(\$8,635)
Debt-notes payable	\$218,371	\$326,986	\$499,644

Our sales increase was 5.5% from prior year. Operating expenses were down by 5.0% thanks to our ongoing continuous improvement initiative that we started four years ago. I would like to give you a specific example of why we focus so strongly on our ongoing continuous improvement program. Over the past year, we have upgraded our international phone system carrier routes. This has led to a major improvement in our customer retention rates. It has also reduced our year-over-year customer service fees by 47.7%! These are the kind of excellent results we have achieved over the past four years.

The reduction in expenses was very good performance in light of rising costs in several expense areas. Despite our reduction in expense, operating income was down 40.6 %. The reduction in operating income was almost all due to the mix of products sold. Improving the mix of product sales will be one of our major focuses in FY 2013. We continued our excellent performance in debt reduction. Our notes-payable debt decreased by 33.2%. This is the fourth year in row we have significantly reduced debt.

Last year I told you about our new EZposa web portal. During FY 2012 Send Global completed the launch, testing and fine tuning of the EZposa web portal. Independent retailer store owners gave us excellent feedback and gave EZposa the highest marks for being user friendly. This is extremely important to store owners who have to train their employees on how to use the web portal for selling wireless pins and international phone service to their customers. With EZposa completely in place, we can now look to add products and services to our product mix.

Some other notable achievements in FY 2012 were:

- In July we celebrated 16 years in the telecom industry through our subsidiaries
- Our Alobilady.com consumer web site surpassed four million minutes

This brings me to FY 2013. We want to continue the sales increases that we have enjoyed during the past three years. To help us accomplish another year of sales increase we have launched a major program to recruit master agents around the country. EZposa enhancements allow us to provide new master agents with the tools they need to recruit, train, monitor and manage independent retail stores. We expect these new master agents to help us increase the number of retail stores in our system which now stand at more than 3000. In addition, the tools in our EZposa web portal will help our existing stores to sell more of our products.

Another major focus in FY 2013 is going to be on increasing our profit margins. We plan to do this by improving our mix of product sales. One way to do this is to add new so called “hard products” to our mobile phone calling services. We recently announced that we had signed agreements to add two new higher margin products for sale through our EZposa retail web portal. The first new product in this category is Subscriber Identity Modules (SIM cards for mobile phones). We also added DataJack™, a fast growing, prepaid mobile MIFI hotspot and broadband router, available on the nationwide Sprint 3G wireless network. Both these products will be fully launched during FY 2013.

A question we have heard from shareholders is, “What is iTeknik’s long term strategy?” First, capital structure improvement and market capitalization will remain our focus in FY 2013 and beyond. While many companies suffer from dilution of stock to maintain operations and pay for expenses, we were able to reduce the number of shares outstanding.

In the early part of FY 2012 we told you that we had reduced the outstanding shares of iTeknik common stock by 38%. During the first quarter of FY 2013 we have announced an even more significant improvement in our capital structure.

- Total authorized shares were reduced from 1,879,000,000 to 500,000,000 shares
- Outstanding common shares were reduced from 477,614,987 to 277,614,987 shares or 41.8%
- Outstanding Preferred A shares (convertible at 1 for 100) were reduced from 3,441,550 to 1,229,000 or 64.3%
- Fully diluted common shares (if outstanding preferred A shares were converted to common) were reduced from 821,769,987 to 400,514,987 shares
- Common stock float remained unchanged at 160,775,867 shares, but now represents 40.1% ownership of the company on a fully diluted basis, up from 19.6%

The Board of Directors strongly believes that the Company must pursue a strategy of growth through merger and/or acquisition. While we had conversations with potential partners and financial sources in FY 2012, we did not secure a suitable transaction. However, we remain convinced that the business environment will improve after the national elections in November. We will continue to pursue avenues that will allow iTeknik to grow.

Finally, iTeknik Holding Corporation (OTC Pink:ITKH) is classified as “Current Information” and trades on the OTC Pink tier of the OTC Market. To retain our classification, we must publish an annual disclosure document and update it each quarter. This document provides a very detailed picture of the Company, our stock structure and pertinent information about operations and strategy. I urge you to take the time to read the disclosures when they are published. If you follow our progress through these disclosures you will realize that we are very unique compared to other Pink Sheet companies. We are a profitable company with a strong management team that is growing and dedicated to maximizing shareholder value. To read these disclosures and our get our financial results, visit <http://www.otcmarkets.com/stock/ITKH/filings> .

Sincerely,

A handwritten signature in blue ink that reads "Fredrick Wicks".

Fred Wicks
Chairman and CEO

Safe Harbor: This document contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Investors are cautioned that all forward-looking statements involve risks and uncertainty, including without limitation, the ability of the Company to successfully implement its turnaround strategy, changes in costs of raw materials, labor, and employee benefits, as well as general market conditions, competition and pricing. Although the Company believes that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore, there can be no assurance that the forward-looking statements included in this letter will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as representation by the Company or any other person that the objectives and plans of the Company will be achieved. In assessing forward-looking statements included herein, readers are urged to carefully read those statements. When used in the Annual Report on Form 10-K, the words "estimate," "anticipate," "expect," "believe," and similar expressions are intended to be forward-looking statements.

Schanel & Associates, PA
Certified Public Accountants
4600 Military Trl Ste 215
Jupiter, FL 33458
561-624-2118

iTeknik Holding Corporation
8615 Richardson Road
Walled Lake, MI 48390

We have compiled the accompanying balance sheets of iTeknik Holding Corporation as of June 30, 2012 and 2011 and the related statements on income, cash flows and stockholders equity for the years then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

A handwritten signature in cursive script that reads "Schanel & Associates, PA". The signature is written in dark ink and is positioned to the left of the date.

September 13, 2012

iTeknik Holding Corporation
Balance Sheets
As of June 30, 2012 and 2011

ASSETS

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
CURRENT ASSETS		
Send Global Checking	\$ 106,044	\$ 176,278
iTeknik Checking	563	4,158
Accounts Receivable	10,826	18,322
Prepaid Expenses	<u>14,263</u>	<u>13,142</u>
Total Current Assets	<u>131,696</u>	<u>211,900</u>
PROPERTY AND EQUIPMENT		
Computer Hardware	23,534	19,462
Computer Software	50,299	50,299
Furniture & Equipment	385,163	385,163
Software Development	158,803	125,674
Accumulated Depreciation	<u>(509,886)</u>	<u>(436,678)</u>
Net Property and Equipment	<u>107,913</u>	<u>143,920</u>
OTHER ASSETS		
Security Deposits	4,290	4,290
Other Asset	<u>4,000</u>	<u>0</u>
Total Other Assets	<u>8,290</u>	<u>4,290</u>
TOTAL ASSETS	<u>\$ 247,899</u>	<u>\$ 360,110</u>

See Accountants' Compilation Report
and accompanying notes to the financial statements

iTeknik Holding Corporation
Balance Sheets
As of June 30, 2012 and 2011

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
CURRENT LIABILITIES		
Accounts Payable	204,563	290,265
Customer Deposits	4,015	4,677
Deferred Revenue	269,322	338,787
Credit Card Payable	4,973	11,042
Accrued Wages	8,181	4,091
Accrued Payroll Taxes	678	339
State Taxes Payable	2,500	0
Short Term Note #4 - Officer	0	38,454
Short Term Note #5 - Officer	0	25,230
Short Term Note #6 - Officer	0	10,000
Current Portion - Note Payable #3 - Officer	0	40,899
Total Current Liabilities	494,232	763,784
LONG-TERM LIABILITIES		
Note Payable - Shareholder	25,500	25,500
Note Payable #1 - Officer	41,135	68,415
Note Payable #3 - Officer	151,736	118,488
Total Long-Term Liabilities	218,371	212,403
Total Liabilities	712,603	976,187
STOCKHOLDER S' EQUITY		
Capital Stock	47,762	47,762
Preferred Stock - Class A	3,442	3,442
Additional Paid in Capital	488,197	488,197
Retained Earnings	(1,004,105)	(1,155,478)
Total Stockholders' Equity	(464,704)	(616,077)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 247,899</u>	<u>\$ 360,110</u>

See Accountants' Compilation Report
and accompanying notes to the financial statements

iTeknik Holding Corporation
Statements of Income
For the 3 Months and Year Ended June 30, 2012

	3 Months Ended June 30, 2012	Year Ended June 30, 2012
Sales		
Sales	\$ 3,013,790	\$ 12,346,899
Total Sales	3,013,790	12,346,899
Cost of Goods Sold		
Phone Line Usage Fees	430,762	1,895,111
Wireless PINs	2,258,904	8,945,236
Total Cost of Goods Sold	2,689,666	10,840,347
Gross Profit	324,124	1,506,552
Operating Expenses		
Advertising & Promotions	4,593	13,830
Bank Service Charges	14,953	67,637
Commissions	21,612	107,019
Computer Expenses	0	405
Customer Service Fees	3,358	17,045
Depreciation Expense	16,568	73,208
Dues & Subscriptions	59	335
Equipment Lease	2,663	24,824
Group Life Insurance	566	2,295
Health/Dental Insurance	18,219	64,804
Interest Expense	2,730	14,902
Investor Relations	0	5,000
Legal & Professional Fees	7,485	33,906
Licenses & Fees	25	1,175
Meals & Entertainment	0	207
Medical Reimbursement	0	1,624
Office Supplies & Expenses	2,812	8,640
Payroll Taxes	14,066	56,680
Postage	781	1,949
Rent	13,875	55,500
Repairs & Maintenance	5,180	24,574
Taxes	2,308	41,641
Telephone	3,717	14,477
Travel	0	1,032
Wages	179,022	737,357
Website Expenses	446	4,382
Workman's Comp Insurance	328	1,373
Vendor Refunds	(3,358)	(19,642)
Total Operating Expenses	312,008	1,356,179
Operating Income (Loss)	\$ 12,116	\$ 150,373

See Accountants' Compilation Report
and accompanying notes to the financial statements

iTeknik Holding Corporation
Statements of Income
For the 3 Months and Year Ended June 30, 2012

	3 Months Ended June 30, 2012	Year Ended June 30, 2012
Other Income		
Miscellaneous Income	<u>0</u>	<u>4,000</u>
Total Other Income	<u>0</u>	<u>4,000</u>
Net Income before Taxes	<u>\$ 12,116</u>	<u>\$ 154,373</u>
Less Provision for State Income Taxes	<u>(3,000.00)</u>	<u>(3,000.00)</u>
Net Income	<u>\$ 9,116</u>	<u>151,373</u>
Earnings per share - Basic	\$ 0.0000	\$ 0.0003
Earnings per share - Diluted	\$ 0.0000	\$ 0.0002
Weighted average shares outstanding:		
Basic	477,614,987	477,614,987
Diluted	821,769,987	821,769,987

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and accompanying notes to the financial statements

iTeknik Holding Corporation
Statements of Income
For the Years Ended June 30, 2012 and 2011

	Year Ended June 30, 2012	Year Ended June 30, 2011
Sales		
Sales	\$ 12,346,899	\$ 11,704,810
Refunds	<u>0</u>	<u>(1,836)</u>
Total Sales	<u>12,346,899</u>	<u>11,702,974</u>
Cost of Goods Sold		
Phone Line Usage Fees	1,895,111	2,564,711
Wireless PINs	<u>8,945,236</u>	<u>7,456,212</u>
Total Cost of Goods Sold	<u>10,840,347</u>	<u>10,020,923</u>
Gross Profit	<u>1,506,552</u>	<u>1,682,051</u>
Operating Expenses		
Advertising & Promotions	13,830	32,067
Auto Expense	0	1,000
Bank Service Charges	67,637	57,693
Commissions	107,019	170,707
Computer Expenses	405	1,301
Customer Service Fees	17,045	32,618
Depreciation Expense	73,208	50,033
Dues & Subscriptions	335	59
Education	0	1,071
Equipment Lease	24,824	36,790
Group Life Insurance	2,295	2,576
Health/Dental Insurance	64,804	43,169
Interest Expense	14,902	12,640
Investor Relations	5,000	5,000
Legal & Professional Fees	33,906	78,866
Licenses & Fees	1,175	1,144
Meals & Entertainment	207	265
Medical Reimbursement	1,624	4,746
Office Supplies & Expenses	8,640	9,308
Payroll Taxes	56,680	61,678
Postage	1,949	3,061
Rent	55,500	55,500
Repairs & Maintenance	24,574	24,457
Taxes	41,641	20,906
Telephone	14,477	8,750
Travel	1,032	2,192
Wages	737,357	738,402
Website Expenses	4,382	4,388
Workman's Comp Insurance	1,373	1,067
Vendor Refunds	<u>(19,642)</u>	<u>(32,780)</u>
Total Operating Expenses	<u>1,356,179</u>	<u>1,428,674</u>

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iTeknik Holding Corporation
Statements of Income
For the Years Ended June 30, 2012 and 2011

	Year Ended June 30, 2012	Year Ended June 30, 2011
Operating Income (Loss)	<u>150,373</u>	<u>253,377</u>
Other Income		
Debt Extinguished	0	40,300
Gain on Sale of Assets	0	1,458
Miscellaneous Income	<u>4,000</u>	<u>0</u>
Total Other Income	<u>4,000</u>	<u>41,758</u>
Net Income before Taxes	<u>154,373</u>	<u>295,135</u>
Provision for State Income Tax	<u>(3,000)</u>	<u>0</u>
Net Income	<u>\$ 151,373</u>	<u>\$ 295,135</u>
Earnings per share - Basic	\$ 0.0003	\$ 0.0007
Earnings per share - Diluted	\$ 0.0002	\$ 0.0006
Weighted average shares outstanding:		
Basic	477,614,987	450,527,102
Diluted	821,769,987	514,706,973

See Accountants' Compilation Report
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iTeknik Holding Corporation
Statements of Cash Flows
For the 3 Months and Year Ended June 30, 2012

	For the 3 Months Ended <u>June 30, 2012</u>	For the Year Ended <u>June 30, 2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ 9,116	\$ 151,373
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities		
Depreciation	16,568	73,208
Decrease (increase) in Accounts Receivable	(159)	7,496
Decrease (increase) in Prepaid Expenses	1,781	(1,121)
Increase (decrease) in Accounts Payable	(2,825)	(85,702)
Increase (decrease) in Customer Deposits	(532)	(662)
Increase (decrease) in Deferred Revenue	(21,089)	(69,465)
Increase (decrease) in Credit Cards Payable	4,211	(6,070)
Increase (decrease) in Accrued Wages	(14,317)	4,091
Increase (decrease) in State Tax Payable	0	2,500
Increase (decrease) in Accrued Payroll Taxes	(1,187)	339
Increase (decrease) in Short Term Notes - Officer	<u>(51,145)</u>	<u>(73,684)</u>
 Total Adjustments	 <u>(68,694)</u>	 <u>(149,070)</u>
 Net Cash Provided By (Used in) Operating Activities	 (59,578)	 2,303
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) in Property and Equipment	(11,835)	(37,201)
(Increase) in Other Assets	<u>0</u>	<u>(4,000)</u>
 Net Cash Provided by (Used in) Investing Activities	 (11,835)	 (41,201)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in (repayment of) Loans from Officer	<u>41,155</u>	<u>(34,932)</u>
 Net Cash Provided by (Used in) Financing Activities	 <u>41,155</u>	 <u>(34,932)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (30,258)	 (73,829)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	 <u>136,865</u>	 <u>180,436</u>
 CASH AND CASH EQUIVALENTS AT END OF PERIOD	 <u>\$ 106,607</u>	 <u>\$ 106,607</u>

See Accountants' Compilation Report
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iTeknik Holding Corporation
Statements of Cash Flows
For the Years Ended June 30, 2012 and 2011

	For the Year Ended <u>June 30, 2012</u>	For the Year Ended <u>June 30, 2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ 151,373	\$ 295,135
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities		
Depreciation	73,208	50,032
Decrease (increase) in Accounts Receivable	7,496	(3,466)
Decrease (increase) in Prepaid Expenses	(1,121)	(8,084)
Increase (decrease) in Accounts Payable	(85,702)	158,705
Increase (decrease) in Customer Deposits	(662)	(22,563)
Increase (decrease) in Deferred Revenue	(69,465)	(63,381)
Increase (decrease) in Credit Cards Payable	(6,070)	1,018
Increase (decrease) in Accrued Wages	4,091	(25,264)
Increase (decrease) in State Tax Payable	2,500	0
Increase (decrease) in Accrued Payroll Taxes	339	339
Increase (decrease) in Short Term Notes - Officer	<u>(73,684)</u>	<u>(185,960)</u>
Total Adjustments	<u>(149,070)</u>	<u>(98,624)</u>
Net Cash Provided By (Used in) Operating Activities	2,303	196,511
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) in Property and Equipment	(37,201)	(100,354)
(Increase) in Other Assets	<u>(4,000)</u>	<u>0</u>
Net Cash Provided by (Used in) Investing Activities	(41,201)	(100,354)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in (repayment of) Note Payable - Private	0	25,500
Increase in (repayment of) Loans from Officer	(34,932)	(12,197)
Proceeds from Sale of Stock	<u>0</u>	<u>19,500</u>
Net Cash Provided by (Used in) Financing Activities	(34,932)	32,803
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(73,829)	128,960
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>180,436</u>	<u>51,476</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 106,607</u>	<u>\$ 180,436</u>

See Accountants' Compilation Report
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iTeknik Holding Corporation
Statements of Stockholders' Equity
For Year Ended June 30, 2012

	<u>Common Stock at Par Value of \$.0001</u>	<u>Number of Common Shares Outstanding</u>	<u>Preferred Stock Class A at Par Value of \$.001</u>	<u>Number of Preferred Class A Shares Outstanding</u>	<u>Number of Preferred Class C Shares Outstanding \$0 Par Value</u>	<u>Additional Paid in Capital</u>	<u>Accumulated Deficit</u>
Balance, June 30, 2011	\$47,762	477,614,987	\$3,442	3,441,550	2	\$488,197	(\$1,155,479)
<u>Net Income for the quarter</u>							<u>59,474</u>
Balance, September 30, 2011	\$47,762	477,614,987	\$3,442	3,441,550	2	\$488,197	(\$1,096,006)
<u>Net Income for the quarter</u>							<u>70,598</u>
Balance, December 31, 2011	\$47,762	477,614,987	\$3,442	3,441,550	2	\$488,197	(\$1,025,408)
<u>Net Income for the quarter</u>							<u>12,187</u>
Balance, March 31, 2012	\$47,762	477,614,987	\$3,442	3,441,550	2	\$488,197	(\$1,013,221)
<u>Net Income for the quarter</u>							<u>9,116</u>
Balance, June 30, 2012	\$47,762	477,614,987	\$3,442	3,441,550	2	\$488,197	(\$1,004,105)

iTeknik Holding Corporation
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 (UNAUDITED)

NOTE 1 – ORGANIZATION AND DESCRIPTION

iTeknik Holding Corporation (“The Company”) was organized under the laws of the State of Nevada on January 12, 2007. On December 22, 2010, the Company changed its state of organization to Wyoming by filing the applicable legal documents with both Nevada and Wyoming. The Company has one subsidiary, Send Global Corporation. The Company provides wholesale and retail telecommunications services and products.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements included herein include the consolidated accounts of iTeknik Holding Corporation and its wholly-owned subsidiary Send Global, Inc. prepared in conformity with generally accepted accounting principles. All material inter-company accounts, transactions and profits have been eliminated in consolidation.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the Company considers liquid investments with an original maturity of three months or less to be cash equivalents.

Management’s Use of Estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments – Management believes that the carrying values of financial instruments, including cash, accounts receivable, accounts payable and accrued liabilities approximate fair value as a result of the short-term maturities of these instruments.

Income Taxes – The Company accounts for income taxes using the assets and liability method prescribed by U.S. GAAP. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to operating loss and tax credit carry forwards and for differences between the carrying amounts of existing assets and liabilities and their respective tax bases. The effect of a change in tax rates is recognized in income in the period of enactment. Valuation allowance is established when management is unable to conclude that it is more likely than not that some portion, or all, of the deferred tax asset will ultimately be realized.

Earnings (Loss) Per Share - The Company reports earnings (loss) per share in accordance with U.S. GAAP. This requires dual presentation of basic and diluted earnings (loss) with a reconciliation of the numerator and denominator of the loss per share computations. Basic earnings per share amounts are based on the weighted average shares of common outstanding. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share. Accordingly, this presentation has been adopted for the periods presented. There were no adjustments required to net income for the period presented in the computation of diluted earnings per share. Diluted earnings per share reflect the assumed conversion of the outstanding preferred stock class A..

Fixed Assets – Fixed assets are recorded at cost and include expenditures that substantially increase the productive lives of the existing assets. Maintenance and repair costs are expensed as incurred.

iTeknik Holding Corporation
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 (UNAUDITED)

Depreciation is provided using the straight-line method. Depreciation of property and equipment is calculated over the management prescribed recovery periods, which range from 5 years for equipment to 7 years for furniture and fixtures. When a fixed asset is disposed of, its cost and related accumulated depreciation are removed from the accounts. The difference between net book value and proceeds from disposition is recorded as a gain or loss.

Advertising Costs - Advertising costs are expensed as incurred. The Company does not incur any direct-response advertising costs.

Revenue Recognition - Deferred Income represents unbilled credits remaining on end user accounts that the Company has collected money for but has not yet paid its carriers.

Long-Lived Assets - The Company reviews and evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, including those noted above, the Company compares the assets' carrying amounts against the estimated undiscounted cash flows to be generated by those assets over their estimated useful lives. If the carrying amounts are greater than the undiscounted cash flows, the fair values of those assets are estimated by discounting the projected cash flows. Any excess of the carrying amounts over the fair values are recorded as impairments in that fiscal period.

NOTE 3 – DEBT

As of June 30, 2012, iTeknik Holding Corporation had the following outstanding debt:

Long-term-

\$41,135 payable to a corporate officer. The note was originally a demand note accruing interest at an annual rate of 6% with \$5,000 per month payments. This loan was reclassified from short-term to long-term as monthly payments have been suspended indefinitely.

\$25,500 payable to a shareholder. There is no stated interest. This debt is convertible into common stock at par value.

\$151,736 due to a corporate officer. This note has a three year term at 6% interest with \$5,000 per month payments. Monthly payments were suspended in February 2012 and have subsequently been suspended indefinitely.

iTeknik Holding Corporation
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 (UNAUDITED)

NOTE 4 – INCOME TAXES

As of June 30, 2011, the Company had a federal net operating loss carryover amounting to approximately \$3,200,000. The net operating loss, if not utilized, will expire in 2030.

For the year ended June 30, 2012, the Company reported a profit. No tax provision has been recognized due to the expected utilization of the NOL. Below is a reconciliation of the estimated federal and state income tax provision at applicable statutory rates to the amount actually reflected in the financial statements:

	<u>One Year Ending June 30, 2012</u>
Federal at statutory rate	\$ 42,000
State tax	<u>11,000</u>
	53,000
Less benefit from utilization Of NOL	<u>(50,000)</u>
Tax provision per financials	<u>\$ 3,000</u>

The components of deferred tax assets/liabilities are as follows:

Deferred tax assets:	
NOL carryforward - June 30, 2011	\$1,110,000
Less estimated current year utilization	<u>(50,000)</u>
	1,060,000
Less reduction due to Michigan tax change (see below)	<u>(120,000)</u>
	940,000
Deferred tax liabilities:	
Depreciation	<u>(8,000)</u>
Net deferred tax asset before valuation allowance	932,000
Less: Valuation allowance	<u>(932,000)</u>
Net deferred tax assets	<u>\$ 0</u>

Effective as of January 1, 2012, the state of Michigan repealed the Michigan Business Tax (MBT) and replaced it with a Corporate Income Tax (CIT). The CIT tax rate of 6% will apply to the Company's net income from the period from January 1, 2012 to June 30, 2012. The Company's net operating loss will not carryover to the CIT.

iTeknik Holding Corporation
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2012 (UNAUDITED)

CERTIFICATION

We, Fredrick Wicks, Chairman, and Jeffrey Lauzon, President, of iTeknik Holding Corporation hereby certify that the unaudited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of iTeknik Holding Corporation and the results of its operations and cash flows as of and for the three months ended June 30, 2012, in conformity with accounting principles generally accepted in the United States, consistently applied.

September 13, 2012

By: /s/ Fredrick Wicks

/s/ Jeffrey Lauzon

iTeknik Holding Corporation