

I, Vincenzo Ventola, CFO, certify that:

1. I have reviewed the period financial statement of Italian Food & Beverage Corp.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement, and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: November 13, 2015

/s/ Vincenzo Ventola

Vincenzo Ventola
CFO

ITALIAN FOOD AND BEVERAGE CORP.

Consolidated Balance Sheets

(Unaudited)

	September 2015	December 31, 2014 (Restated)
<u>ASSETS</u>		
Current Assets		
Cash	\$ 44,898	\$ 125,189
Accounts Receivable	321,433	230,605
	<hr/>	<hr/>
Total Current Assets	366,331	355,794
Long-Term Assets		
Inventory	358,867	329,711
Loans to Subsidiaries	115,568	-
Office Equipment	54,419	49,915
Intangible Assets-net	510,094	532,736
Total Long-Term Assets	<hr/> 1,038,948 <hr/>	<hr/> 912,362 <hr/>
Total Assets	<hr/> <u>\$ 1,405,279</u> <hr/>	<hr/> <u>\$ 1,268,156</u> <hr/>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 164,211	\$ 190,289
Credit Line	37,500	37,500
Notes Payable	89,565	64,811
	<hr/>	<hr/>
Total Liabilities	291,276	292,600
Stockholders' Equity		
Preferred Stock, authorized 50,000,000 shares, par value \$0.0001, issued and outstanding on September 30, 2015 and December 31, 2014 is 5,000,000 shares respectively	5,000	-
Common Stock, authorized 2,950,000,000 shares, par value \$0.0001, issued and outstanding on September 30, 2015 and December 31, 2014 is 735,934,134 and 714,934,134 shares respectively	73,595	71,495
Additional Paid-in Capital	5,980,940	5,823,424
Retained Deficit	<hr/> (4,945,532) <hr/>	<hr/> (4,919,363) <hr/>
Total Stockholders' Equity	<hr/> 1,114,003 <hr/>	<hr/> 975,556 <hr/>
Total Liabilities and Stockholders' Equity	<hr/> <u>\$ 1,405,279</u> <hr/>	<hr/> <u>\$ 1,268,156</u> <hr/>

The accompanying notes are an integral part of these statements

ITALIAN FOOD AND BEVERAGE CORP.

Consolidated Statements of Operation (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Income				
Revenues	\$ 81,233	\$ 136,289	\$ 518,901	\$ 448,073
Cost of Sales	34,356	32,017	141,782	121,719
Gross Income/(Loss)	46,877	104,272	377,119	326,354
Operating Expenses				
General and Administrative	53,475	115,621	225,834	333,253
Amortization Expense	14,563	14,563	43,689	42,188
Professional Fees	27,650	93,648	155,183	244,095
Total Operating Expenses	95,688	223,832	424,706	619,536
Operating Income/(Loss)	(48,811)	(119,560)	(47,587)	(293,182)
Other Income/(Expenses)				
Extraordinary Income	-	(13,257)	66,232	250,526
Interest Expense	(1,512)	(2,006)	(4,247)	(7,858)
Total Other Income/(Expenses)	(1,512)	(15,263)	61,985	242,668
Income (Loss) before Taxes	(50,323)	(134,823)	14,398	(50,514)
Income Tax	(637)	(5,960)	(40,567)	(17,880)
Net Income/(Loss)	<u>\$ (50,960)</u>	<u>\$ (140,783)</u>	<u>\$ (26,169)</u>	<u>\$ (68,394)</u>
Basic and Diluted (Loss) per Share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted Average Number of Shares	<u>731,703,365</u>	<u>647,754,423</u>	<u>731,703,365</u>	<u>647,754,423</u>

The accompanying notes are an integral part of these statements

ITALIAN FOOD AND BEVERAGE CORP.

Consolidated Statements of Stockholders' Deficit (Unaudited)

From January 15, 2002 (Inception) to September 30, 2015

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Paid in Capital</u>	<u>Retained (Deficit) (Restated)</u>	<u>Total Equity/ (Deficit)</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance, December 31, 2013	10,000,000	10,000	630,377,134	63,039	4,618,725	(4,940,091)	(248,327)
Common Shares issued for service			15,000,000	1,500	192,000		193,500
Common Shares issued for service			2,000,000	200	19,800		20,000
Cancellation of debt					30,000		30,000
Common Shares issued for service			60,000,000	6,000	144,000		150,000
Common Shares issued for convertible debt			2,000,000	200	3,173		3,373
Common Shares issued for convertible debt			5,557,000	556	24,449		25,005
Contributed Capital					18,250		18,250
Cancellation of preferred stock	(10,000,000)	(10,000)			10,000		-
Acquisition of Subsidiary					763,027		763,027
Net Profit/(Loss)						20,728	20,728
Balance, December 31, 2014	-	-	714,934,134	71,495	5,823,424	(4,919,363)	975,556
Common Shares issued for service			21,000,000	2,100	73,500		75,600
Acquisition of Subsidiary	5,000,000	5,000			84,016		89,016
Net Profit/(Loss)						(26,169)	(26,169)
Balance, September 30, 2015	<u>5,000,000</u>	<u>\$ 5,000</u>	<u>735,934,134</u>	<u>\$ 73,595</u>	<u>\$ 5,980,940</u>	<u>\$ (4,945,532)</u>	<u>\$ 1,114,003</u>

The accompanying notes are an integral part of these statements

ITALIAN FOOD AND BEVERAGE CORP.

Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Operating Activities				
Net Profit/(Loss)	\$ (50,960)	\$ (140,783)	\$ (26,169)	\$ (68,394)
Adjustments to reconcile Net Profit/(Loss)				
Amortization of Intangible Assets	14,563	14,563	43,689	46,241
Contributed Capital	-	18,250	-	18,250
Common Stock Issued for services	-	178,378	75,600	421,878
Acquisition of Subsidiary	-	205,077	89,016	572,293
Changes in Operating Assets and Liabilities				
(Increase)/Decrease in Inventory	29,698	(88,174)	(29,156)	(235,938)
(Increase)/Decrease in Accounts Receivable	(21,055)	(57,650)	(90,828)	(172,954)
(Increase)/Decrease in Loans to Subsidiaries	(22,168)	-	(115,568)	-
Increase/(Decrease) in Accounts Payable and Accrued Expenses	(724)	(1,596)	(26,078)	36,758
Net Cash Provided by Operating Activities	(50,646)	128,065	(79,494)	618,134
Investment Activities				
Office Equipment	54	(12,478)	(4,504)	(37,436)
Acquisition of Intangible Assets	266	(55,310)	(21,047)	(191,481)
Net Cash (Used) by Investment Activities	320	(67,788)	(25,551)	(228,917)
Financing Activities				
Line of Credit	-	-	-	(2,092)
Notes Payable	29,968	(24,005)	24,754	(99,542)
Proceeds from Stock Sales	-	-	-	-
Notes Payable - Shareholder	-	-	-	(202,650)
Net Cash Provided by Financing Activities	29,968	(24,005)	24,754	(304,284)
Net Increase in Cash	(20,358)	36,272	(80,291)	84,933
Cash, Beginning of Period	65,256	53,106	125,189	4,445
Cash, End of Period	<u>\$ 44,898</u>	<u>\$ 89,378</u>	<u>\$ 44,898</u>	<u>\$ 89,378</u>
Cash Paid For:				
Interest Paid	\$ 1,514	\$ 4,845	\$ 1,514	\$ 4,845
Income Taxes Paid	\$ 31,359	\$ 11,920	\$ 31,359	\$ 11,920
Non-cash Activities:				
Stock issued for services	\$ -	\$ 150,000	\$ 75,600	\$ 363,500
Stock issued to convert debt	\$ -	\$ 28,378	\$ -	\$ 58,378
Acquired Capital	\$ -	\$ 205,077	\$ 89,016	\$ 572,293
Contributed Capital	\$ -	\$ 18,250	\$ -	\$ 18,250

The accompanying notes are an integral part of these statements

ITALIAN FOOD & BEVERAGE CORP.

Notes to Consolidated Unaudited Financial Statements

(September 30, 2015 and December 31, 2014)

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Blast Applications, Inc. (the "Company") was incorporated on January 15, 2002 under the laws of the State of Delaware as Medivisor, Inc. On July 10, 2009 the Company changed its name to Blast Applications, Inc. then on January 20, 2015 the Company changed its name to Italian Food & Beverage Corp.

The Company is in the business of development and marketing of iPhone®, Facebook®, Twitter® and Nokia applications. On May 15, 2015 the Company completed the acquisition of Italian Food & Beverage Corp. a Nevada Corporation who is the parent Just Wine S.P.A., an Italian corporation holding the majority interest in Just Wine Far East Pte Ltd., a Singapore corporation, Just Wine GmbH, an Austrian corporation and Just Wine Kft, a Hungarian corporation. The Company maintains various social web-sites and with its acquisition will focus on the manufacturing, exporting, importing, marketing and distribution of wine and various food products.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

In the opinion of management, the accompanying balance sheets and related interim statements of income, cash flows, and stockholders' equity include all adjustments, consisting only of normal recurring items, necessary for their fair presentation in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Actual results and outcomes may differ from management's estimates and assumptions.

Principal of Consolidation

The consolidated financial statements include the accounts of the Italian Food & Beverage Corp. (the Company) and its subsidiaries the Italian Food & Beverage Corp. a Nevada Corporation and its subsidiaries the Just Wine S.P.A., an Italian corporation holding a 75% majority interest in Just Wine Far East Pte Ltd., a Singapore corporation, a 95% majority interest in Just Wine GmbH, an Austrian corporation and a 95% majority interest in Just Wine Kft, a Hungarian corporation referred to as the European subsidiaries in our consolidated statements. All material inter-company accounts and transactions have been eliminated. European activity has been converted from Euros to U.S. Dollars.

ITALIAN FOOD & BEVERAGE CORP.

Notes to Unaudited Financial Statements

(June 30, 2015 and December 31, 2014)

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Allowance for Doubtful Accounts

The Company does not have significant collection history with its customers. However, where the Company is aware of circumstances that may impair a specific customer's ability to pay, the Company will reduce the receivable to net realizable value by recording an appropriate allowance. At September 30, 2015 and December 31, 2014 no allowance for doubtful accounts was required.

Revenue Recognition

Revenues are recognized as services are performed and deliveries are made in accordance with the terms of customer contracts. Costs directly related to the development and data collection services, which include but are not limited to subcontractors, domain acquisition, and other costs directly related, are included in the cost of goods sold. Retail sales are recognized when products are shipped.

Recent Accounting Guidance

The Company has evaluated the recent accounting pronouncements through ASU 2015-15 and believes that none of the pronouncements will have a material effect on the company's financial statements.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with an original maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents at September 30, 2015 and December 31, 2014.

Advertising Costs

Advertising and marketing costs are expensed as incurred. For the period ended September 30, 2015 and the year ended December 31, 2014 advertising expense were \$25,000 and \$15,466 respectively.

Income Taxes

The provision for income taxes is the total of the current taxes payable and the net of the change in the deferred income taxes. Provision is made for the deferred income taxes where differences exist between the period in which transactions affect current taxable income and the period in which they enter into the determination of net income in the financial statements.

ITALIAN FOOD & BEVERAGE CORP.

Notes to Unaudited Financial Statements

(June 30, 2015 and December 31, 2014)

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Stock-Based Compensation

The Company accounts for its stock based compensation based upon provisions in ASC Topic 718 *Compensation-Stock Compensation*. The Company utilizes the fair value of the stock issued as the measure of the value of services obtained to record the stock issued for compensation.

Impairment of Long-Lived Assets

The Company regularly reviews long-lived assets for indicators of impairment. Management's judgments regarding the existence of impairment indicators are based on performance. Future events could cause management to conclude that impairment indicators exist and that the value of long-lived assets is impaired. When events or circumstances indicate that the carrying amount of an asset may not be recoverable, the fair value of the asset is compared to its carrying value. Impairment losses are measured as the amount by which the carrying value of an asset exceeds its estimated fair value.

Intangible Assets

The Company has capitalized the purchase/development cost of its revenue producing web-sites and application. The Company amortized these assets over their estimated useful lives beginning January 1, 2014. A summary of assets follows:

On August 28, 2014, the company received \$25,000 for a 25% interest in the web-site CanDoBetter. The net depreciated value of the web-site was \$27,000 at the time of sale.

<u>Intangible Assets:</u>	September 30, 2015	Estimated Useful Life
Goodwill: Big Pants	85,000	20 Years
Website: CanDoBetter	30,000	5 Years
Website: Tweexchange	20,000	5 Years
Websites: Eight Others	40,000	5 Years
Applications: Forty-Eight	165,000	5 Years
Applications: Four	15,000	5 Years
European Immaterial Assets	269,550	20 Years
Subtotal	624,550	
Less:		
Accumulated Amortization	(107,706)	
Sale of 25% interest in CanDo Better	(6,750)	
Intangible Assets-net	510,094	

ITALIAN FOOD & BEVERAGE CORP.

Notes to Unaudited Financial Statements

(June 30, 2015 and December 31, 2014)

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Loss per Common Share

Basic loss per share is computed by dividing the net loss by the weighted average number of shares outstanding during the period. Basic loss per share also excludes any dilutive effect of warrants. Diluted net loss per share does not include warrants, as they are anti-dilutive.

NOTE 3 - GOING CONCERN

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. The Company commenced operations in the first quarter of 2003. Since inception, it has incurred losses and negative cash flows from operations. The Company has been dependent upon external financing, including private sales of securities and borrowings from its CEO to fund operations. The Company has restated its financials to include the activity of its acquired subsidiaries for the reporting periods. As a result the Company has reported a net operating loss of \$24,200 for the nine months ended September 30, 2015 and a net operating profit of \$20,728 for the year ended December 31, 2014 from consolidated revenues of \$518,901 and \$589,987 from the same periods respectively. The Company has an inception to date accumulated deficit of \$4,945,532. Of the accumulated deficit, \$3,499,382 was for non-cash transaction wherein stock was issued for services or interest on settlement of debt. This raises doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

Management has substantially increased the Company's profitability and cash flow with the acquisition of the Italian Food & Beverage Corp (IFBC-NV) and its European subsidiaries.

Management continues to seek additional debt or equity funding. There is no assurance that its efforts will be successful, or that the Company will be able to obtain additional debt or equity financing on terms acceptable to the Company. Failure to raise needed funds on satisfactory terms could have a material adverse impact on the Company's business, operating results or financial condition.

NOTE 4 – ACQUISITION AND CONSOLIDATION OF SUBSIDIARIES

On May 15, 2015 the Italian Food and Beverage Corp, (the Company or IFBC-DEL) completed the acquisition of Italian Food & Beverage Corp (IFBC-NV), a Nevada corporation organized April 21, 2014. IFBC-NV was acquired by the Company with the issuance of 5,000,000 Class B preferred shares. The class B preferred shares have a provision for the mandatory conversion on March 31, 2016 of each preferred share to 100 of the Company's common shares for a total of 500,000,000 common shares.

ITALIAN FOOD & BEVERAGE CORP.**Notes to Unaudited Financial Statements**

(June 30, 2015 and December 31, 2014)

Cont'd

IFBC-NV is operated as a wholly-owned subsidiary of the Company. IFBC-NV is the parent company of Wine & Food Trading LLC, a California corporation who is the parent of Just Wine S.P.A. an Italian corporation. Just Wine S.P.A owns a majority interest in Just Wine Pte Ltd., a Singapore corporation, Just Wine GmbH, an Austrian corporation and Just Wine Kft, a Hungarian corporation.

The Company has retroactively consolidated the financial statements of its subsidiaries for the nine-month period of September 30, 2015 and the year ended December 31, 2014. As follows:

<u>Balance Sheet</u>	Nine Months Ended September 30, 2015				
	Europe Subs	IFBC- NV	IFBC- DEL	Purchase Adj	Total
<u>ASSETS</u>					
Current Assets					
Cash	\$44,012	\$ 183	\$ 703		\$ 44,898
Financial Assets	108,018	-			108,018
Accounts Receivable	213,415	-	-		213,415
Total Current Assets	365,445	183	703		366,331
Long-Term Assets					
Inventory	268,139	-	90,728		358,867
Transfer to Subsidiaries	-	115,568	-		115,568
Office Equipment	54,419	-	-		54,419
Intangible Assets-net	269,284	-	240,810		510,094
Total Long-Term Assets	591,842	115,568	331,538		1,038,948
Total Assets	<u>\$ 957,287</u>	<u>\$ 115,751</u>	<u>\$ 332,241</u>	<u>\$ -</u>	<u>\$ 1,405,279</u>
<u>LIABILITIES AND STOCKHOLDERS'</u>					
<u>EQUITY</u>					
Current Liabilities					
Accounts Payable and					
Accrued Expenses	\$ 54,983	\$ (509)	\$ 109,737		\$ 164,211
Credit Line	-	-	37,500		37,500
Notes Payable	-	20,500	69,065		89,565
Total Liabilities	54,983	19,991	216,302		291,276
Stockholders' Equity					
Preferred Stock	-	-	-	5,000	5,000
Common Stock	-		73,595		73,595
Additional Paid-in Capital	-	238,255	5,133,897	608,788	5,980,940
Retained Earnings/(Deficit)	902,304	(142,495)	(5,091,553)	(613,788)	(4,945,532)
Total Stockholders' Equity	902,304	97,760	115,939	-	1,114,003
Total Liabilities and					
Stockholders' Equity	<u>\$ 957,287</u>	<u>\$115,751</u>	<u>\$ 332,241</u>	<u>\$ -</u>	<u>\$ 1,405,279</u>

ITALIAN FOOD & BEVERAGE CORP.**Notes to Unaudited Financial Statements**

(June 30, 2015 and December 31, 2014)

Cont'd

Balance Sheets

	Year Ended December 31, 2014				
	Europe Subs	IFBC- NV	IFBC- DEL	Purchase Adj	Total
<u>ASSETS</u>					
Current Assets					
Cash	\$ 60,884	\$ 59,869	\$ 4,436	\$ -	\$ 125,189
Accounts Receivable	163,406	-	-	-	163,406
Total Current Assets	224,290	59,869	4,436	-	288,595
Long-Term Assets					
Inventory	273,529	-	56,182	-	329,711
Office Equipment	49,915	-	-	-	49,915
Intangible Assets-net	315,436	-	284,499	-	599,935
Total Long-Term Assets	638,880	-	340,681	-	979,561
Total Assets	<u>\$ 863,170</u>	<u>\$ 59,869</u>	<u>\$ 345,117</u>	<u>\$ -</u>	<u>\$ 1,268,156</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>					
Current Liabilities					
Accounts Payable and					
Accrued Expenses	\$ 79,639	\$ -	\$ 110,650	\$ -	\$ 190,289
Credit Line	-	-	37,500	-	37,500
Notes Payable	-	-	64,811	-	64,811
Total Liabilities	79,639	-	212,961	-	292,600
Stockholders' Equity					
Preferred Stock			10,000	(10,000)	-
Common Stock	-		71,495	-	71,495
Additional Paid-in Capital	-	80,029	5,050,397	692,998	5,823,424
Retained Earnings	783,531	(20,160)	(4,999,736)	(682,998)	(4,919,363)
Total Stockholders' Equity	783,531	59,869	132,156	-	975,556
Total Liabilities and Stockholders' Equity	<u>\$ 863,170</u>	<u>\$ 59,869</u>	<u>\$ 345,117</u>	<u>\$ -</u>	<u>\$ 1,268,156</u>

ITALIAN FOOD & BEVERAGE CORP.

Notes to Unaudited Financial Statements

(June 30, 2015 and December 31, 2014)

Cont'd

Statement of Operations

	Three Months Ended September 30, 2015			
	Europe Subs	IFBC- NV	IFBC- DEL	Total
Income				
Revenues	\$ 81,222	\$ -	\$ 11	\$ 81,233
Cost of Sales	34,356	-	-	34,356
Gross Income/(Loss)	46,866	-	11	46,877
Operating Expenses				
General and Administrative	42,095	11,380	-	53,475
Amortization Expense	-	-	14,563	14,563
Professional Fees	-	22,150	5,500	27,650
Total Operating Expenses	42,095	33,530	20,063	95,688
Operating Income/(Loss)	4,771	(33,530)	(20,052)	(48,811)
Other Income/(Expenses)				
Gain on Exchange Rate	-	-	-	-
Interest Expense	(1,512)	-	-	(1,512)
Total Other Income/(Expenses)	(1,512)	-	-	(1,512)
Income/(Loss) before Taxes	3,259	(33,530)	(20,052)	(50,323)
Income Tax	637	-	-	637
Net Income/(Loss)	\$ 2,622	\$ (33,530)	\$ (20,052)	\$ (50,960)

Nine Months Ended September 30, 2015

	Europe Subs	IFBC- NV	IFBC- DEL	Total
Revenues	\$ 459,436	\$ -	\$ 59,465	\$ 518,901
Cost of Sales	141,782	-	-	141,782
Gross Income/(Loss)	317,654	-	59,465	377,119
General and Administrative	151,089	60,255	14,490	225,834
Amortization Expense	-	-	43,689	43,689
Professional Fees	-	62,080	93,103	155,183
Total Operating Expenses	151,089	122,335	151,282	424,706
Operating Income/(Loss)	166,565	(122,335)	(91,817)	(47,587)
Gain on Exchange Rate	-	-	66,232	66,232
Interest Expense	(4,247)	-	-	(4,247)
Total Other Income/(Expenses)	(4,247)	-	66,232	61,985
	162,318	(122,335)	(25,585)	14,398
Income Tax	40,567	-	-	40,567
	\$ 121,751	\$ (122,335)	\$ (25,585)	\$ (26,169)

ITALIAN FOOD & BEVERAGE CORP.**Notes to Unaudited Financial Statements**

(June 30, 2015 and December 31, 2014)

Cont'd

NOTE 5 – DEBT INCLUDING CONVERTIBLE DEBT**Short-Term Debt**

Accounts payable and accrued expenses are summarized below for the reporting periods:

<u>Accounts Payable and Accruals</u>	<u>30-Sep-2015</u>	<u>31-Dec-2014</u>
Accounts Payable	\$ 28,329	\$ 16,427
Accounts Payable Subsidiaries	54,983	-
Accrued Liabilities	80,899	94,222
Balance	<u>\$ 164,211</u>	<u>\$ 110,649</u>

Long-Term and Convertible Debt

On July 10, 2013 the Company agreed with Golden Gate Capital Partners to settle the \$333,341 outstanding balance for \$271,000 with \$21,000 payable to Golden Gate's attorney at the rate of \$1,500 per month beginning August 1, 2013 and \$250,000 to Golden Gate. Payment to Golden Gate can be in the form of cash or free trading stock at the Companies discretion. If the Company chooses to pay with stock the process is to begin August 5, 2013 with the issue of 3,000,000 free trading common shares and additional issuances every three months to bring Golden Gates ownership up to 3,000,000 shares but never more. Golden Gate is to sell the shares and apply the proceeds to the \$250,000 settlement balance. However, they are limited to selling or offering to sell no more that 10% of the previous day's trading volume. Penalty provisions are in force should violation of the restrictions occur.

Golden Gate Capital Partners violated the terms of the agreement invoking the agreed to penalties. Because of Golden Gates's violations to the settlement agreement the Company is currently in litigation with them. The Company considers that its obligation under the agreement is fulfilled and accordingly, has written-off the \$190,900 balance as extraordinary income.

On August 19, 2014 Golden Gate Capital Partners obtained a judgment in the amount of \$12,000 against the Company. The Company is in the process of appealing that judgment and will continue litigation to resolve the issue.

ITALIAN FOOD & BEVERAGE CORP.

Notes to Unaudited Financial Statements

(June 30, 2015 and December 31, 2014)

Cont'd

On October 12, 2010 the Company issued an 8% convertible note in the principal amount of \$35,000 Euros or \$48,531 US dollars and a maturity date of October 15, 2011. The note can be redeemed prior to maturity for 125% of the principal plus accumulated interest and is immediately convertible at the holders demand at 45% of the preceding 5 day average stock price but not less than \$0.0001 or greater than \$0.05. The Company recorded interest expense of \$59,316 for the beneficial conversion feature. The Balance of the note at September 30, 2014 is \$64,811 which includes \$16,280 accrued interest.

On September 15, 2014 the Company settled the \$25,005 balance of a note including interest with the issuance of 5,557,000 shares of common stock at \$0.0045 per share.

The Company is in negotiations with Bank of America to settle an \$180,527 judgment for a debt thought to have been paid off.

During the third quarter 2015 the Company received \$20,500 in operational loans from a principal.

NOTE 6 - PROVISION FOR INCOME TAXES

Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

In the Company's opinion, it is uncertain whether they will generate sufficient taxable income in the future to fully utilize the net deferred tax asset. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded. The total deferred tax asset is \$1,088,017 which is calculated by multiplying a 22% estimated tax rate by the items making up the deferred tax account, the estimated NOL through September 30, 2015 of \$4,945,532. The total valuation allowance is a comparable \$1,088,017.

The provision for income taxes is comprised of the net changes in deferred taxes less the valuation account plus the current taxes payable as shown in the chart below for the period ended June 30, 2015 and the year ended December 31, 2014:

	September 30, 2015	December 31, 2014
Deferred Tax Asset	\$ 5,757	\$ (5,245)
Valuation Allowance	(5,757)	5,245
Current Taxes Payable	-	-
Income Tax Expense	<u>\$ -</u>	<u>\$ -</u>

ITALIAN FOOD & BEVERAGE CORP.**Notes to Unaudited Financial Statements**

(June 30, 2015 and December 31, 2014)

Cont'd

Below is a chart showing the estimated federal net operating losses and the years in which they will expire.

<u>Year</u>	<u>Amount</u>	<u>Expiration</u>
2002	110,344	2022
2003	42,102	2023
2004	215,834	2024
2005	352,602	2025
2006	236,140	2026
2007	49,798	2027
2008	1,655,913	2028
2009	433,880	2029
2010	1,076,086	2030
2011	448,275	2031
2012	163,779	2032
2013	158,450	2033
2014	(23,840)	3034
YTD 2015	26,169	3035
Total	<u>\$ 4,945,532</u>	

NOTE 7 - STOCKHOLDERS' EQUITY**Preferred Stock**

On July 10, 2009 the Company amended its Certificate of Incorporation to authorize the issue of 50,000,000 shares of preferred stock, par value \$0.0001 per share. The Company's board of directors will designate the rights and preferences of the preferred stock. The Company has established 10,000,000 to be Class A preferred superior to but with all the rights of common shares except voting and convertible to 100 shares of common stock. These Class A preferred shares were issue on October 1, 2009 in connection with the settlement of debt with the CEO but have since been returned and cancelled.

On March 7, 2015 the Company authorized the creation of 10,000,000 Class B preferred shares with all the rights of common shares except voting and with a mandatory conversion of each share of Class B preferred to one hundred shares of common stock to take place on March 31, 2016.

Of the Class B preferred shares 5,000,000 were authorized to be issued on May 15, 2015 in exchange for 100% of the 5,000,000 total issued and outstanding shares of common stock of the Italian Food & Beverage Corp. (IFBC-NV), a Nevada corporation. With the issuance IFBC-NV has become a wholly-owned subsidiary of the Company.

ITALIAN FOOD & BEVERAGE CORP.

Notes to Unaudited Financial Statements

(June 30, 2015 and December 31, 2014)

Cont'd

Common Stock

The Company is authorized to issue 2,950,000,000 shares of common stock with a par value of \$0.0001 per share.

As of December 31, 2012 the company had 571,536,000 common shares issued and outstanding.

During the year ended December 31, 2013 the Company issued 58,837,226 common shares in the following transactions:

- The Company issued 35,000,000 common shares at the market price of \$0.018 to convert \$630,000 accrued payroll.
- The Company issued 6,500,000 common shares at the market price of \$0.018 for consulting services.
- The Company issued 1,437,908 common shares at the market price of \$0.018 and 12,903,226 common shares at the market price of \$0.0155 for funding costs.
- The Company issued 3,000,000 common shares at the market price of \$0.0197 to convert \$59,100 debt.

During the year ended December 31, 2014 the Company issued 84,557,000 common shares in the following transactions:

- On February 24, 2014 the Company issued 7,500,000 common shares at the market price of \$0.0129 to settle \$96,750 accrued salary and 7,500,000 common shares at \$0.0129 for consulting services.
- On June 30, 2014 the Company issued 2,000,000 common shares for services at \$0.01 per share for consulting services.
- On September 9, 2014 the Company issued 30,000,000 common shares to settle \$75,000 in accrued salary and 30,000,000 shares for \$75,000 in services.
- On September 15, 2014 the Company issued 2,000,000 shares of common stock to settle \$3,373 accounts payable.
- On September 30, 2014 the company issued 5,557,000 shares of common stock to settle a \$25,005 note including interest.

During the period ended June 30, 2015 the Company issued 21,000,000 common shares in the following transactions:

- On January 1, 2015 the Company issued 1,000,000 common shares for \$3,600 in services.
- On February 24, 2015 the Company issued 20,000,000 common shares for \$72,000 in services.