

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: May 14, 2016

*/s/ Vincenzo Ventola*

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Vincenzo Ventola  
CFO

# ITALIAN FOOD AND BEVERAGE CORP.

## Consolidated Balance Sheets

(Unaudited)

|   | Three Months<br>Ended<br>March 31,<br>2016 | Year Ended<br>December 31,<br>2015 |
|---|--|------------------------------------|
|   |  |                                    |
| <b><u>ASSETS</u></b>  |  |                                    |
| Current Assets  |  |                                    |
| Cash  | \$ 18,430                                  | \$ 103,499                         |
| Accounts Receivable   | 535,479                                    | 480,318                            |
|   |  |                                    |
| Total Current Assets  | 553,909                                    | 583,817                            |
| Long-Term Assets  |  |                                    |
| Inventory   | 325,212                                    | 328,353                            |
| Loans to Subsidiaries   | 115,994                                    | 100,994                            |
| Office Equipment  | 69,130                                     | 66,256                             |
| Intangible Assets-net   | 553,760                                    | 554,104                            |
| Total Long-Term Assets  | 1,064,096                                  | 1,049,707                          |
|   |  |                                    |
| Total Assets  | \$ 1,618,005                               | \$ 1,633,524                       |
|   |  |                                    |
| <b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>  |  |                                    |
| Current Liabilities   |  |                                    |
| Accounts Payable and Accrued Expenses   | \$ 247,855                                 | \$ 220,556                         |
| Credit Line   | 1,800                                      | 37,500                             |
| Notes Payable   | 88,145                                     | 118,053                            |
|   |  |                                    |
| Total Liabilities   | 337,800                                    | 376,109                            |
| Stockholders' Equity  |  |                                    |
| Preferred Stock, authorized 50,000,000<br>shares, par value \$0.0001, issued and outstanding on<br>March 31, 2016 and December 31, 2015 is<br>5.426,600 shares respectively   | 542  | 542                                |
| Common Stock, authorized 2,950,000,000 shares,<br>par value \$0.0001, issued and outstanding on<br>March 31, 2016 and December 31, 2015 is<br>846,734,134 shares respectively | 84,675                                     | 84,675                             |
| Additional Paid-in Capital  | 6,666,726                                  | 6,666,726                          |
| Retained Deficit  | (5,471,738)                                | (5,494,528)                        |
|   |  |                                    |
| Total Stockholders' Equity  | 1,280,205                                  | 1,257,415                          |
|   |  |                                    |
| Total Liabilities and Stockholders' Equity  | \$ 1,618,005                               | \$ 1,633,524                       |
|   |  |                                    |

The accompanying notes are an integral part of these statements

# ITALIAN FOOD AND BEVERAGE CORP.

## Consolidated Statements of Operation (Unaudited)

|                                       | Three Months Ended<br>March 31, |             | Year Ended<br>December 31, |
|---------------------------------------|---------------------------------|-------------|----------------------------|
|                                       | 2016                            | 2015        | 2015                       |
| Income                                |                                 |             |                            |
| Revenues                              | \$ 336,121                      | \$ 59,426   | \$ 864,616                 |
| Cost of Sales                         | 86,335                          | -           | 301,679                    |
| Gross Income/(Loss)                   | 249,786                         | 59,426      | 562,937                    |
| Operating Expenses                    |                                 |             |                            |
| General and Administrative            | 217,750                         | 8,820       | 623,328                    |
| Amortization Expense                  | 14,564                          | 14,563      | 58,252                     |
| Professional Fees                     | 17,475                          | 87,603      | 220,377                    |
| Total Operating Expenses              | 249,789                         | 110,986     | 901,957                    |
| Operating Income/(Loss)               | (3)                             | (51,560)    | (339,020)                  |
| Other Income/(Expenses)               |                                 |             |                            |
| Extraordinary Income                  | 38,942                          | -           | (56,046)                   |
| Interest Expense                      | (3,985)                         | -           | (10,341)                   |
| Total Other Income/(Expenses)         | 34,957                          | -           | (66,387)                   |
| Income (Loss) before Taxes            | 34,954                          | (51,560)    | (405,407)                  |
| Income Tax                            | (12,164)                        | -           | (49,758)                   |
| Net Income/(Loss)                     | \$ 22,790                       | \$ (51,560) | \$ (455,165)               |
| Basic and Diluted<br>(Loss) per Share | \$ 0.03                         | \$ (0.00)   | \$ (0.00)                  |
| Weighted Average                      |                                 |             |                            |
| Number of Shares                      | 846,734                         | 723,100,801 | 745,644,627                |
| Diluted Number of Shares              | 1,389,394,134                   | -           | 1,069,628,572              |

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 March 31, 2016

|   | Preferred Stock |          | Common Stock |           | Paid in      | Retained                | Total                |
|---|-----------------|----------|--------------|-----------|--------------|-------------------------|----------------------|
|   | Shares          | Amount   | Shares       | Amount    | Capital      | (Deficit)<br>(Restated) | Equity/<br>(Deficit) |
| <b>Balance, December 31, 2013</b>         | 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)                         |                 |          |              |           |              | (99,272)                | (99,272)             |
| <b>Balance, December 31, 2014</b>         | -               | -        | 714,934,134  | 71,495    | 5,823,424    | (5,039,363)             | 855,556              |
| Common Shares issued for service          |                 |          | 21,000,000   | 2,100     | 73,500       |                         | 75,600               |
| Acquisition of Subsidiary                 | 5,000,000       | 500      |              |           | 88,516       |                         | 89,016               |
| Preferred Shares issued for cash          | 302,900         | 30       |              |           | 114,084      |                         | 114,114              |
| Preferred Shares issued for service       | 123,700         | 12       |              |           | 49,468       |                         | 49,480               |
| Common Shares issued for cash             |                 |          | 30,300,000   | 3,030     | 179,284      |                         | 182,314              |
| Common Shares issued for service          |                 |          | 80,500,000   | 8,050     | 338,450      |                         | 346,500              |
| Net Profit/(Loss)                         |                 |          |              |           |              | (455,165)               | (455,165)            |
| <b>Balance, December 31, 2015</b>         | 5,426,600       | 542      | 846,734,134  | 84,675    | 6,666,726    | (5,494,528)             | 1,257,415            |
| Net Profit/(Loss)                         |                 |          |              |           |              | 22,790                  | 22,790               |
| <b>Balance, March 31, 2016</b>            | 5,426,600       | \$ 542   | 846,734,134  | \$ 84,675 | \$ 6,666,726 | \$ (5,471,738)          | \$ 1,280,205         |

The accompanying notes are an integral part of these statements

# ITALIAN FOOD AND BEVERAGE CORP.

## Consolidated Statements of Cash Flows (Unaudited)

|   | Three Months Ended<br>March 31, |                  | Year Ended<br>December 31, |
|---|---------------------------------|------------------|----------------------------|
|   | 2016                            | 2015             | 2015                       |
| Operating Activities  |                                 |                  |                            |
| Net Profit/(Loss)   | \$ 22,790                       | \$ (51,560)      | \$ (455,165)               |
| Adjustments to reconcile Net Profit/(Loss)                      |                                 |                  |                            |
| Amortization of Intangible Assets                               | 14,564                          | 14,563           | 58,250                     |
| Contributed Capital   | -                               | -                | -                          |
| Common Stock Issued for services                                | -                               | 75,600           | 472,080                    |
| Acquisition of Subsidiary                                       | -                               | -                | 88,516                     |
| Changes in Operating Assets and Liabilities                     |                                 |                  |                            |
| (Increase)/Decrease in Inventory                                | 3,141                           | (34,546)         | 1,358                      |
| (Increase)/Decrease in Accounts Receivable                      | (55,161)                        | -                | (249,713)                  |
| (Increase)/Decrease in Loans to Subsidiaries                    | (15,000)                        | -                | (100,994)                  |
| Increase/(Decrease) in Accounts Payable<br>and Accrued Expenses | 27,299                          | (12,552)         | (89,733)                   |
| Net Cash Provided by Operating Activities                       | (2,367)                         | (8,495)          | (275,401)                  |
| Investment Activities   |                                 |                  |                            |
| Office Equipment  | (17,438)                        | -                | (16,341)                   |
| Acquisition of Intangible Assets                                | 344                             | -                | (79,618)                   |
| Net Cash (Used) by Investment Activities                        | (17,094)                        | -                | (95,959)                   |
| Financing Activities  |                                 |                  |                            |
| Line of Credit  | (35,700)                        | -                | -                          |
| Notes Payable   | (29,908)                        | 4,254            | 53,242                     |
| Proceeds from Stock Sales                                       | -                               | -                | 296,428                    |
| Notes Payable - Shareholder                                     | -                               | -                | -                          |
| Net Cash Provided by Financing Activities                       | (65,608)                        | 4,254            | 349,670                    |
| Net Increase in Cash  | (85,069)                        | (4,241)          | (21,690)                   |
| Cash, Beginning of Period                                       | 103,499                         | 4,436            | 125,189                    |
| Cash, End of Period   | <u>\$ 18,430</u>                | <u>\$ 195</u>    | <u>\$ 103,499</u>          |
| Cash Paid For:  |                                 |                  |                            |
| Interest Paid   | <u>\$ 3,985</u>                 | <u>\$ -</u>      | <u>\$ 10,341</u>           |
| Income Taxes Paid   | <u>\$ 12,164</u>                | <u>\$ -</u>      | <u>\$ 49,758</u>           |
| Non-cash Activities:  |                                 |                  |                            |
| Stock issued for services                                       | <u>\$ -</u>                     | <u>\$ 75,600</u> | <u>\$ 471,580</u>          |
| Contributed Capital   | <u>\$ -</u>                     | <u>\$ -</u>      | <u>\$ 89,016</u>           |

The accompanying notes are an integral part of these statements

## **ITALIAN FOOD & BEVERAGE CORP.**

### **Notes to Consolidated Unaudited Financial Statements**

(March 31, 2016 and December 31, 2015)

#### **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

(March 31, 2016 and December 31, 2015)

Cont'd

#### 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 March 31, 2016 and December 31, 2015 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 2016-12 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 March 31, 2016 and December 31, 2015.

#### Advertising Costs

Advertising and marketing costs are expensed as incurred. For the period ended March 31, 2016 and the year ended December 31, 2015 advertising expense were \$11 and \$28,611.

#### 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

(March 31, 2016 and December 31, 2015)

Cont'd

#### 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>            | March 31,<br>7/8/1905 | Estimated<br>Useful<br>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           | 327,827               | 20 Years                    |
| Subtotal                             | 682,827               |                             |
| Less:                                |                       |                             |
| Accumulated Amortization             | (129,563)             |                             |
| Sale of 25% interest in CanDo Better | (6,750)               |                             |
| Intangible Assets-net                | 546,514               |                             |



## **ITALIAN FOOD & BEVERAGE CORP.**

### Notes to Unaudited Financial Statements

(March 31, 2016 and December 31, 2015)

Cont'd

#### 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 includes the issuance of Class B preferred shares that are each convertible to 100 common shares and 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 income of \$22,790 for the quarter ended March 31, 2016 and an operating loss of \$455,165 for the year ended December 31, 2015 from consolidated revenues of \$336,121 and \$864,616 from the same periods respectively. The Company has an inception to date accumulated deficit of \$5,471,738. Of the accumulated deficit, \$4,059,978 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 that have a provision for the mandatory conversion 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**

(March 31, 2016 and December 31, 2015)

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 consolidated the financial statements of its subsidiaries for the period ended March 31, 2016 and for the year ended of December 31, 2015. As follows:

| <b><u>Balance Sheet</u></b>                        | Quarter Ended March 31, 2016 |             |              |                 |              |
|--|------------------------------|-------------|--------------|-----------------|--------------|
|  | Europe<br>Subs               | IFBC-<br>NV | IFBC-<br>DEL | Purchase<br>Adj | Total        |
| <b><u>ASSETS</u></b>                               |                              |             |              |                 |              |
| Current Assets                                     |                              |             |              |                 |              |
| Cash   | \$ 14,844                    | \$ 2,782    | \$ 804       |                 | \$ 18,430    |
| Financial Assets                                   | 303,178                      | -           |              |                 | 303,178      |
| Accounts Receivable                                | 232,301                      | -           | -            |                 | 232,301      |
| Total Current Assets                               | 550,323                      | 2,782       | 804          |                 | 553,909      |
| Long-Term Assets                                   |                              |             |              |                 |              |
| Inventory  | 234,484                      | -           | 90,728       |                 | 325,212      |
| Investment In Subsidiaries                         | -                            | -           | -            |                 | -            |
| Transfer to Subsidiaries                           | -                            | 115,994     | -            |                 | 115,994      |
| Operational Loan-Parent                            | -                            | -           | -            |                 | -            |
| Office Equipment                                   | 69,130                       | -           | -            |                 | 69,130       |
| Intangible Assets-net                              | 342,077                      | -           | 211,683      |                 | 553,760      |
| Total Long-Term Assets                             | 645,691                      | 115,994     | 302,411      |                 | 1,064,096    |
| Total Assets                                       | \$ 1,196,014                 | \$118,776   | \$ 303,215   | \$ -            | \$ 1,618,005 |
| <b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b> |                              |             |              |                 |              |
| Current Liabilities                                |                              |             |              |                 |              |
| Accounts Payable and                               |                              |             |              |                 |              |
| Accrued Expenses                                   | \$ 49,800                    | \$ 1,636    | \$ 196,419   |                 | \$ 247,855   |
| Credit Line  | -                            | -           | 1,800        |                 | 1,800        |
| Notes Payable                                      | -                            | 19,080      | 69,065       |                 | 88,145       |
| Total Liabilities                                  | 49,800                       | 20,716      | 267,284      |                 | 337,800      |
| Stockholders' Equity                               |                              |             |              |                 |              |
| Preferred Stock                                    | -                            | 42          | -            | 500             | 542          |
| Common Stock                                       | -                            | 3,030       | 81,645       |                 | 84,675       |
| Additional Paid-in Capital                         | -                            | 342,837     | 5,472,347    | 851,542         | 6,666,726    |
| Retained Earnings/(Deficit)                        | 1,146,214                    | (247,849)   | (5,518,061)  | (852,042)       | (5,471,738)  |
| Total Stockholders' Equity                         | 1,146,214                    | 98,060      | 35,931       | -               | 1,280,205    |
| Total Liabilities and                              |                              |             |              |                 |              |
| Stockholders' Equity                               | \$ 1,196,014                 | \$118,776   | \$ 303,215   | \$ -            | \$ 1,618,005 |

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

(March 31, 2016 and December 31, 2015)

Cont'd

**Balance Sheet**

Year Ended December 31, 2015

|  | Europe<br>Subs      | IFBC-<br>NV      | IFBC-<br>DEL      | Purchase<br>Adj | Total               |
|--|---------------------|------------------|-------------------|-----------------|---------------------|
| <b><u>ASSETS</u></b>                               |                     |                  |                   |                 |                     |
| Current Assets                                     |                     |                  |                   |                 |                     |
| Cash   | \$ 30,777           | \$ 71,988        | \$ 734            |                 | \$ 103,499          |
| Financial Assets                                   | 273,704             | -                |                   |                 | 273,704             |
| Accounts Receivable                                | 206,614             | -                | -                 |                 | 206,614             |
| Total Current Assets                               | 511,095             | 71,988           | 734               |                 | 583,817             |
| Long-Term Assets                                   |                     |                  |                   |                 |                     |
| Inventory  | 237,625             | -                | 90,728            |                 | 328,353             |
| Investment In Subsidiaries                         | -                   | -                | -                 |                 | -                   |
| Transfer to Subsidiaries                           | -                   | 100,994          | -                 |                 | 100,994             |
| Operational Loan-Parent                            | -                   | -                | -                 |                 | -                   |
| Office Equipment                                   | 66,256              | -                | -                 |                 | 66,256              |
| Intangible Assets-net                              | 327,857             | -                | 226,247           |                 | 554,104             |
| Total Long-Term Assets                             | 631,738             | 100,994          | 316,975           |                 | 1,049,707           |
| Total Assets                                       | <u>\$ 1,142,833</u> | <u>\$172,982</u> | <u>\$ 317,709</u> | <u>\$ -</u>     | <u>\$ 1,633,524</u> |
| <b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b> |                     |                  |                   |                 |                     |
| Current Liabilities                                |                     |                  |                   |                 |                     |
| Accounts Payable and                               |                     |                  |                   |                 |                     |
| Accrued Expenses                                   | \$ 44,265           | \$ 1,054         | \$ 175,237        |                 | \$ 220,556          |
| Credit Line  | -                   | -                | 37,500            |                 | 37,500              |
| Notes Payable                                      | -                   | 48,988           | 69,065            |                 | 118,053             |
| Total Liabilities                                  | 44,265              | 50,042           | 281,802           |                 | 376,109             |
| Stockholders' Equity                               |                     |                  |                   |                 |                     |
| Preferred Stock                                    | -                   | 42               | -                 | 500             | 542                 |
| Common Stock                                       | -                   | 3,030            | 81,645            |                 | 84,675              |
| Additional Paid-in Capital                         | -                   | 342,837          | 5,472,347         | 851,542         | 6,666,726           |
| Retained Earnings/(Deficit)                        | 1,098,568           | (222,969)        | (5,518,085)       | (852,042)       | (5,494,528)         |
| Total Stockholders' Equity                         | 1,098,568           | 122,940          | 35,907            | -               | 1,257,415           |
| Total Liabilities and                              |                     |                  |                   |                 |                     |
| Stockholders' Equity                               | <u>\$ 1,142,833</u> | <u>\$172,982</u> | <u>\$ 317,709</u> | <u>\$ -</u>     | <u>\$ 1,633,524</u> |

# ITALIAN FOOD & BEVERAGE CORP.

## Notes to Unaudited Financial Statements

(March 31, 2016 and December 31, 2015)

Cont'd

| <u>Statement of Operations</u> | Quarter Ended March 31, 2016 |             |              |            |
|--------------------------------|------------------------------|-------------|--------------|------------|
|                                | Europe<br>Subs               | IFBC-<br>NV | IFBC-<br>DEL | Total      |
| Income                         |                              |             |              |            |
| Revenues                       | \$ 336,121                   | \$ -        | \$ -         | \$ 336,121 |
| Cost of Sales                  | 86,335                       | -           | -            | 86,335     |
| Gross Income/(Loss)            | 249,786                      | -           | -            | 249,786    |
| Operating Expenses             |                              |             |              |            |
| General and Administrative     | 207,785                      | 9,905       | 60           | 217,750    |
| Amortization Expense           | -                            | -           | 14,564       | 14,564     |
| Professional Fees              | -                            | 14,975      | 2,500        | 17,475     |
| Total Operating Expenses       | 207,785                      | 24,880      | 17,124       | 249,789    |
| Operating Income/(Loss)        | 42,001                       | (24,880)    | (17,124)     | (3)        |
| Other Income/(Expenses)        |                              |             |              |            |
| Gain on Settlements            | -                            | -           | 38,942       | 38,942     |
| Interest Expense               | (3,985)                      | -           | -            | (3,985)    |
| Total Other Income/(Expenses)  | (3,985)                      | -           | 38,942       | 34,957     |
| Income/(Loss) before Taxes     | 38,016                       | (24,880)    | 21,818       | 34,954     |
| Income Tax                     | (12,164)                     | -           | -            | (12,164)   |
| Net Income/(Loss)              | \$ 25,852                    | \$ (24,880) | \$ 21,818    | \$ 22,790  |

| <u>Statement of Operations</u> | Year Ended December 31, 2015 |             |              |             |
|--------------------------------|------------------------------|-------------|--------------|-------------|
|                                | Subs<br>12 Mos               | IFBC-<br>NV | IFBC-<br>DEL | Total       |
| Revenues                       | \$ 805,121                   | \$ -        | \$ 59,495    | \$ 864,616  |
| Cost of Sales                  | 301,679                      | -           | -            | 301,679     |
| Gross Income/(Loss)            | 503,442                      | -           | 59,495       | 562,937     |
| General and Administrative     | 290,785                      | 78,054      | 254,489      | 623,328     |
| Amortization Expense           | -                            | -           | 58,252       | 58,252      |
| Professional Fees              | -                            | 75,275      | 145,102      | 220,377     |
| Total Operating Expenses       | 290,785                      | 153,329     | 457,843      | 901,957     |
| Operating Income/(Loss)        | 212,657                      | (153,329)   | (398,348)    | (339,020)   |
| Gain on Exchange Rate          | -                            | -           | -            | (56,046)    |
| Interest Expense               | (10,341)                     | -           | -            | (10,341)    |
| Total Other Income/(Expenses)  | (10,341)                     | -           | -            | (66,387)    |
|                                | 202,316                      | (153,329)   | (398,348)    | (405,407)   |
| Income Tax                     | (49,758)                     | -           | -            | (49,758)    |
|                                | \$ 152,558                   | \$(153,329) | \$(398,348)  | \$(455,165) |

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

(March 31, 2016 and December 31, 2015)

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

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

|   | Balance                   | Balance                   |
|---|---------------------------|---------------------------|
| <b><u>Accounts Payable and Accruals</u></b> | <b><u>31-Mar-2016</u></b> | <b><u>31-Dec-2015</u></b> |
| Accounts Payable                            | \$ 1,636                  | \$ 30,238                 |
| Accounts Payable Subsidiaries               | 49,800                    | 45,319                    |
| Accrued Liabilities                         | 196,419                   | 144,999                   |
| Balance                                     | <u>\$ 247,855</u>         | <u>\$ 220,556</u>         |

**Long-Term and Convertible Debt**

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 March 31, 2016 is \$64,811 which includes \$16,280 accrued interest.

**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 \$1,203,782 which is calculated by multiplying a 22% estimated tax rate by the items making up the deferred tax account, the estimated NOL through March 31, 2016 of \$5,471,738. The total valuation allowance is a comparable \$1,203,782.

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

(March 31, 2016 and December 31, 2015)

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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 March 31, 2016 and the year ended December 31, 2015:

|                       | March 31,<br>2016 | December 31,<br>2015 |
|-----------------------|-------------------|----------------------|
| Deferred Tax Asset    | \$ -              | \$ 100,136           |
| Valuation Allowance   | -                 | (100,136)            |
| Current Taxes Payable | -                 | -                    |
| Income Tax Expense    | <u>\$ -</u>       | <u>\$ -</u>          |

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        | 445,163             | 2031              |
| 2012        | 163,779             | 2032              |
| 2013        | 158,450             | 2033              |
| 2014        | 99,272              | 3034              |
| 2015        | 455,165             | 3035              |
| YTD 2016    | <u>(22,790)</u>     | 3035              |
| Total       | <u>\$ 5,471,738</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 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.

## **ITALIAN FOOD & BEVERAGE CORP.**

### Notes to Unaudited Financial Statements

(March 31, 2016 and December 31, 2015)

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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. As of the date of these statements the conversion of these shares has not taken place.

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.

During the year ended December 31, 2015 the Company recorded the purchase of 302,900 Class B preferred shares for \$114,114 cash of which 292,900 were issued on February 23, 2016 and 5,000 have not yet been issued. During the 2015 the Company also recorded the issue of 123,700 Class B preferred shares for \$49,468 in consulting services with the shares not issued until February 23, 2016.

### 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, 2013 the company had 630,377,134 common shares issued and outstanding.

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 commons shares to settle \$75,000 in accrued salary and 30,000,000 shares for \$75,000 in services.
- On September 15,000 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:

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

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- 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.
- During the quarter ended December 31, 2015, the Company recorded the purchase of 30,300,000 common shares for \$182,314 of which 1,500,000 are unissued as of the date of these statements.
- During the quarter ended December 31, 2015, the Company recorded the issue of 80,500,000 common shares for \$50,500 consulting services and settlement of \$296,000 accrued salary.