

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: August 20, 2016

/s/ Vincenzo Ventola

Vincenzo Ventola
CFO

ITALIAN FOOD AND BEVERAGE CORP.

Consolidated Balance Sheets

(Unaudited)

	Six Months Ended June 30, 2016	Year Ended December 31, 2015
<u>ASSETS</u>		
Current Assets		
Cash	\$ 150,779	\$ 103,499
Accounts Receivable	524,768	480,318
Total Current Assets	675,547	583,817
Long-Term Assets		
Inventory	318,981	328,353
Loans to Subsidiaries	138,994	100,994
Office Equipment	67,293	66,256
Intangible Assets-net	530,106	554,104
Total Long-Term Assets	1,055,374	1,049,707
Total Assets	\$ 1,730,921	\$ 1,633,524
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 232,218	\$ 220,556
Credit Line	1,800	37,500
Notes Payable	97,343	118,053
Total Liabilities	331,361	376,109
Stockholders' Equity		
Preferred Stock, authorized 50,000,000 shares, par value \$0.0001, issued and outstanding on June 30, 2016 and December 31, 2015 is 5,812,500 and 5,426,600 shares respectively	581	542
Common Stock, authorized 2,950,000,000 shares, par value \$0.0001, issued and outstanding on June 30, 2016 and December 31, 2015 is 882,461,134 and 846,734,134 shares respectively	88,248	84,675
Additional Paid-in Capital	6,997,057	6,666,726
Retained Deficit	(5,686,326)	(5,494,528)
Total Stockholders' Equity	1,399,560	1,257,415
Total Liabilities and Stockholders' Equity	\$ 1,730,921	\$ 1,633,524

The accompanying notes are an integral part of these statements

ITALIAN FOOD AND BEVERAGE CORP.

Consolidated Statements of Operation (Unaudited)

	Six Months Ended June 30,		Three Months Ended June 30,	
	2016	2015	2016	2015
Income				
Revenues	\$ 374,004	\$ 438,042	\$ 37,883	\$ 378,616
Cost of Sales	101,298	107,533	14,963	107,533
Gross Income/(Loss)	272,706	330,509	22,920	271,083
Operating Expenses				
General and Administrative	375,347	162,139	161,597	153,319
Amortization Expense	29,127	33,315	14,563	18,752
Professional Fees	51,923	127,533	34,448	39,930
Total Operating Expenses	456,397	322,987	210,608	212,001
Operating Income/(Loss)	(183,691)	7,522	(187,688)	59,082
Other Income/(Expenses)				
Extraordinary Income/Loss	9,455	58,640	(29,487)	58,640
Interest Expense	(3,879)	(2,737)	106	(2,737)
Total Other Income/(Expenses)	5,576	55,903	(29,381)	55,903
Income (Loss) before Taxes	(178,115)	63,425	(217,069)	114,985
Income Tax	(13,683)	(39,970)	(1,519)	(39,970)
Net Income/(Loss)	<u>\$ (191,798)</u>	<u>\$ 23,455</u>	<u>\$ (218,588)</u>	<u>\$ 75,015</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	863,497,568	729,552,919	882,461,134	732,469,871
Diluted Number of Shares	<u>1,427,599,766</u>	<u>-</u>	<u>1,443,757,370</u>	<u>-</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 June 30, 2016

	Preferred Stock		Common Stock		Paid in Capital	Retained (Deficit) (Restated)	Total Equity/ (Deficit)
	Shares	Amount	Shares	Amount			
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)						(99,272)	(99,272)
Balance, December 31, 2014	-	-	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)
Balance, December 31, 2015	5,426,600	542	846,734,134	84,675	6,666,726	(5,494,528)	1,257,415
Reclassify common shares to preferred	198,900	20	(3,500,000)	(350)	330		-
Preferred Shares issued for cash	148,000	15			180,305		180,320
Preferred Shares issued for service	39,000	4			5,456		5,460
Common Shares issued for cash			1,365,000	137	20,826		20,963
Common Shares issued for service			37,862,000	3,786	123,414		127,200
Net Profit/(Loss)						(191,798)	(191,798)
Balance, June 30, 2016	5,812,500	\$ 581	882,461,134	\$ 88,248	\$ 6,997,057	\$ (5,686,326)	\$ 1,399,560

The accompanying notes are an integral part of these statements

ITALIAN FOOD AND BEVERAGE CORP.

Consolidated Statements of Cash Flows

(Unaudited)

	Six Months Ended June 30,		Three Months Ended June 30,
	2016	2015	2016
Operating Activities			
Net Profit/(Loss)	\$ (191,798)	\$ 23,455	\$ (218,588)
Adjustments to reconcile Net Profit/(Loss)			
Amortization of Intangible Assets	29,125	29,126	14,564
Contributed Capital	-	-	-
Common Stock Issued for services	132,660	75,600	132,660
Acquisition of Subsidiary	-	89,016	-
Changes in Operating Assets and Liabilities			
(Increase)/Decrease in Inventory	9,372	(58,854)	6,231
(Increase)/Decrease in Accounts Receivable	(44,450)	(69,773)	10,711
(Increase)/Decrease in Loans to Subsidiaries	(38,000)	(93,400)	(23,000)
Increase/(Decrease) in Accounts Payable and Accrued Expenses	11,662	(24,018)	(15,637)
Net Cash Provided by Operating Activities	(91,429)	(28,848)	(93,059)
Investment Activities			
Office Equipment	(1,037)	(4,558)	(12,727)
Acquisition of Intangible Assets	(5,127)	(21,313)	23,654
Net Cash (Used) by Investment Activities	(6,164)	(25,871)	10,927
Financing Activities			
Line of Credit	(35,700)	-	-
Notes Payable	(20,710)	(5,214)	13,198
Proceeds from Stock Sales	201,283	-	201,283
Notes Payable - Shareholder	-	-	-
Net Cash Provided by Financing Activities	144,873	(5,214)	214,481
Net Increase in Cash	47,280	(59,933)	132,349
Cash, Beginning of Period	103,499	125,189	18,430
Cash, End of Period	<u>\$ 150,779</u>	<u>\$ 65,256</u>	<u>\$ 150,779</u>
Cash Paid For:			
Interest Paid	<u>\$ 3,879</u>	<u>\$ -</u>	<u>\$ 3,879</u>
Income Taxes Paid	<u>\$ 13,683</u>	<u>\$ -</u>	<u>\$ 13,683</u>
Non-cash Activities:			
Stock issued for services	<u>\$ 132,660</u>	<u>\$ 75,600</u>	<u>\$ 132,660</u>
Contributed Capital	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements

ITALIAN FOOD & BEVERAGE CORP.

Notes to Consolidated Unaudited Financial Statements

(June 30, 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)

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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 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 June 30, 2016 and December 31, 2015.

Advertising Costs

Advertising and marketing costs are expensed as incurred. For the period ended June 30, 2016 and the year ended December 31, 2015 advertising expense were \$56 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)

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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>	June 30, 2016	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	327,827	20 Years
Subtotal	682,827	
Less:		
Accumulated Amortization	(145,971)	
Sale of 25% interest in CanDo Better	(6,750)	
Intangible Assets-net	530,106	

ITALIAN FOOD & BEVERAGE CORP.

Notes to Unaudited Financial Statements

(March 31, 2016 and December 31, 2015)

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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 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 operating loss of \$199,798 for the period ended June 30, 2016 and an operating loss of \$455,165 for the year ended December 31, 2015 from consolidated revenues of \$374,004 and \$864,616 from the same periods respectively. The Company has an inception to date accumulated deficit of \$5,694,326. 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)

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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 June 30, 2016 and for the year ended of December 31, 2015. As follows:

Balance Sheet

Period Ended June 30, 2016

	Europe Subs	IFBC- NV	IFBC- DEL	Purchase Adj	Total
<u>ASSETS</u>					
Current Assets					
Cash	\$ 14,449	\$135,113	\$ 1,217		\$ 150,779
Financial Assets	295,121	-			295,121
Accounts Receivable	229,647	-	-		229,647
Total Current Assets	539,217	135,113	1,217		675,547
Long-Term Assets					
Inventory	228,253	-	90,728		318,981
Investment In Subsidiaries	-	-	-		-
Transfer to Subsidiaries	-	138,994	-		138,994
Operational Loan-Parent	-	-	-		-
Office Equipment	67,293	-	-		67,293
Intangible Assets-net	332,986	-	197,120		530,106
Total Long-Term Assets	628,532	138,994	287,848		1,055,374
Total Assets	<u>\$ 1,167,749</u>	<u>\$274,107</u>	<u>\$ 289,065</u>	<u>\$ -</u>	<u>\$ 1,730,921</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>					
Current Liabilities					
Accounts Payable and					
Accrued Expenses	\$ 48,477	\$ 10,057	\$ 173,684		\$ 232,218
Credit Line	-	-	1,800		1,800
Notes Payable	-	9,726	87,617		97,343
Total Liabilities	48,477	19,783	263,101		331,361
Stockholders' Equity					
Preferred Stock	-	81	-	500	581
Common Stock	-	6,603	81,645		88,248
Additional Paid-in Capital	-	673,168	5,472,347	851,542	6,997,057
Retained Earnings/(Deficit)	1,119,272	(425,528)	(5,528,028)	(852,042)	(5,686,326)
Total Stockholders' Equity	1,119,272	254,324	25,964	-	1,399,560
Total Liabilities and					
Stockholders' Equity	<u>\$ 1,167,749</u>	<u>\$274,107</u>	<u>\$ 289,065</u>	<u>\$ -</u>	<u>\$ 1,730,921</u>

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

(March 31, 2016 and December 31, 2015)

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Balance Sheet

Year Ended December 31, 2015

	Europe Subs	IFBC- NV	IFBC- DEL	Purchase Adj	Total
<u>ASSETS</u>					
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>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>					
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)

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<u>Statement of Operations</u>	Period Ended June 30, 2016			
	Europe Subs	IFBC- NV	IFBC- DEL	Total
Income				
Revenues	\$ 358,803	\$ -	\$ 15,201	\$ 374,004
Cost of Sales	101,298	-	-	101,298
Gross Income/(Loss)	257,505	-	15,201	272,706
Operating Expenses				
General and Administrative	211,446	163,736	165	375,347
Amortization Expense	-	-	29,127	29,127
Professional Fees	-	38,923	13,000	51,923
Total Operating Expenses	211,446	202,659	42,292	456,397
Operating Income/(Loss)	46,059	(202,659)	(27,091)	(183,691)
Other Income/(Expenses)				
Gain on Settlements	-	-	9,455	9,455
Interest Expense	(3,879)	-	-	(3,879)
Total Other Income/(Expenses)	(3,879)	-	9,455	5,576
Income/(Loss) before Taxes	42,180	(202,659)	(17,636)	(178,115)
Income Tax	(13,683)	-	-	(13,683)
Net Income/(Loss)	\$ 28,497	\$ (202,659)	\$ (17,636)	\$ (191,798)

<u>Statement of Operations</u>	Year Ended December 31, 2015			
	Subs 12 Mos	IFBC- NV	IFBC- 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 – REORGANIZATION OF SUBSIDIARIES

During the quarter ended June 30, 2016 the Company began the process of negotiating the reorganizing of its European subsidiaries because of difficulties in maintaining proper control of their activities. The Company expects the return of the 5,000,000 Class B Preferred shares of stock as part of the reorganization. It is expected that the reorganization will be completed in the quarter ending September 30, 2016 at which time the Company will report the results.

NOTE 6 – DEBT INCLUDING CONVERTIBLE DEBT

Short-Term Debt

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

	Balance	Balance
<u>Accounts Payable and Accruals</u>	<u>30-Jun-2016</u>	<u>31-Dec-2015</u>
Accounts Payable	\$ 36,812	\$ 30,238
Accounts Payable Subsidiaries	48,477	45,319
Accrued Liabilities	146,929	144,999
Balance	<u>\$ 232,218</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 and has made \$8,000 in payments during 2016. The Balance of the note at June 30, 2016 is \$56,811 which includes \$16,280 accrued interest.

NOTE 7 - 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.

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

(March 31, 2016 and December 31, 2015)

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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 \$1,250,992 which is calculated by multiplying a 22% estimated tax rate by the items making up the deferred tax account, the estimated NOL through June 30, 2016 of \$5,686,326. The total valuation allowance is a comparable \$1,250,992.

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, 2016 and the year ended December 31, 2015:

	June 30, 2016	December 31, 2015
Deferred Tax Asset	\$ 42,196	\$ 100,136
Valuation Allowance	(42,196)	(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.

Year	Amount	Expiration
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	191,798	3035
Total	<u>\$ 5,686,326</u>	

ITALIAN FOOD & BEVERAGE CORP.

Notes to Unaudited Financial Statements

(March 31, 2016 and December 31, 2015)

Cont'd

NOTE 8 - 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 issued 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. 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.

During the Quarter ended June 30, 2016, the Company reclassified the issue of 3,500,000 common shares to 198,000 Class B Preferred shares and issued 148,000 Class B Preferred shares for \$180,320 cash and 39,000 shares for \$5,460 consulting services.

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:

ITALIAN FOOD & BEVERAGE CORP.

Notes to Unaudited Financial Statements

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Cont'd

- 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 year December 31, 2015 the Company issued 141,800,000 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.
- During the quarter ended December 31, 2015, the Company recorded the purchase of 30,300,000 common shares for \$182,314.
- 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.
-

During the period ended June 30, 2016 the Company reclassified the issue of 3,500,000 common shares to 198,900 Class B Preferred shares and made the following issues of Common Shares:

- On June 30, 2016 recorded the issuance of 35,862,000 common shares valued at \$104,000 for services issued on March 22, 2016 and 2,000,000 common shares issued for \$23,300 services.
- On April 15, 2016 the Company issued 1,365,000 common shares for \$20,963 cash.