Item 5)

REAL BRANDS, INC.

(Exact name of registrant as specified in its charter)

Nevada	**90-0093439**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2401 Atlantic Blvd, Suite 201, Pompano Beach, FL	**33062**
(Address of principal executive offices)	**(Zip Code)**

(954) 270-5309
(Registrant's telephone number, including area code)

As of April 18, 2016, there were 58,368,590 and 51,368,590 shares of common stock, $0.001 par value, issued and outstanding, respectively.

Real Brands, Inc. and Subsidiaries
For the Period Ended December 31, 2015 and 2014
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Real Brands, Inc. and Subsidiaries
Consolidated Balance Sheet (Unaudited)
For the Year Ended December 31,

	2015	2014
Assets		
Current assets:		
Cash	$1,610	$2,153
Accounts receivable, net	843	-
Inventory, net	3,135	-
Prepaid stock to consultants	-	53,327
Other current assets	10,273	11,679
Total current assets	**15,861**	**67,159**
Equipment, net (Note 3)	2,975	6,339
Trademark (Note 4)	245,000	245,000
Other noncurrent assets	-	2,471
Total assets	**$263,836**	**$320,969**
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable	$104,639	$165,712
Notes payable (Note 5)	500,857	579,137
Accrued compensation	-	598,405
Accrued expenses and other current liabilities (Note 5)	266,293	242,947
Total current liabilities	**871,788**	**1,586,201**
Commitments and contingencies (Note 7)		
Stockholders' deficit:		
Series A Preferred stock, $0.001 par value; 2,000,000 shares authorized; 200,000 shares issued and outstanding at December, 31, 2015 and 2014, respectively.	200	200
Common stock, $0.001 par value; 98,000,000 shares authorized; 59,368,590 and 51,368,590 shares issued and outstanding, respectively as of December 31, 2015; 28,246,090 and 20,246,090 shares issued and outstanding, respectively as of December 31, 2014.	51,369	20,246
Additional paid-in capital	10,481,981	4,686,936
Accumulated deficit	(9,141,502)	(3,972,614)
Less: treasury stock, at cost	(2,000,000)	(2,000,000)
Total stockholders' deficit	**(607,952)**	**(1,265,232)**
Total liabilities and stockholders' deficit	**$263,836**	**$320,969**

The accompanying notes are an integral part of these consolidated financial statements.

Real Brands, Inc. and Subsidiaries
Consolidated Statements of Operations (Unaudited)
For the Three Months Ended December 31,

	2015	2014
Net sales revenue	$24,973	$1,156
Cost of sales revenue	(13,250)	(103)
Gross Profit (loss)	11,723	1,053
Operating expenses:		
Sales	-	66,750
General and administrative	61,285	158,663
Stock compensation for sales and general and administrative expenses	10,000	-
Total operating expenses	71,285	225,413
Loss from operations	(59,562)	(224,360)
Interest expense	(16,506)	(13,960)
Other income	135,268	-
Net income (loss)	**$59,200**	**$(238,320)**
Basic and diluted net income (loss) per share	**$0.001**	**$(0.012)**
Basic and diluted weighted average common shares outstanding	**50,401,198**	**20,246,090**

The accompanying notes are an integral part of these consolidated financial statements.

Real Brands, Inc. and Subsidiaries
Consolidated Statements of Operations (Unaudited)
For the Year Ended December 31,

	2015	**2014**
Net sales revenue	$47,444	$2,948
Cost of sales revenue	(31,395)	(493)
Gross Profit	16,049	2,455
Operating expenses:		
Sales	83,922	67,275
General and administrative	137,351	170,649
Stock compensation for sales and general and administrative expenses	5,028,290	1,525,823
Total operating expenses	5,429,563	1,763,747
Loss from operations	(5,233,514)	(1,761,292)
Interest expense	(70,640)	(49,088)
Other income	135,268	-
Net loss	**$(5,168,886)**	**$(1,810,380)**
Basic and diluted net loss per share	**$(0.143)**	**$(0.097)**
Basic and diluted weighted average common shares outstanding	**36,139,692**	**18,582,756**

The accompanying notes are an integral part of these consolidated financial statements.

Real Brands, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Deficit (Unaudited)

	Series A Preferred Stock Shares	Series A Preferred Stock $	Common Stock Shares	Common Stock $	Additional Paid-in Capital	Deficit Accumulated	Treasury Stock	Total Stockholders' Deficit
Balance, December 31, 2013[1]	**200,000**	**$200**	**13,814,420**	**$13,814**	**$1,291,885**	**$(2,162,234)**	**$-**	**$(856,335)**
Issuance of common stock	-	-	433,335	433	64,567	-	-	65,000
Issuance of common stock to advisors	-	-	3,498,334	3,499	888,818	-	-	892,317
Issuance of common stock to executive officers	-	-	1,333,334	1,333	332,001	-	-	333,334
Issuance of common stock to subsidiary	-	-	8,000,000	8,000	1,992,000	-	-	2,000,000
Issuance of common stock for interest due	-	-	1,166,667	1,167	109,666	-	-	110,833
Treasury common stock owned by a subsidiary	-	-	(8,000,000)	(8,000)	8,000	-	(2,000,000)	(2,000,000)
Net loss	-	-	-	-	-	(1,810,380)	-	(1,810,380)
Balance, December 31, 2014	**200,000**	**$200**	**20,246,090**	**$20,246**	**$4,686,936**	**$(3,972,617)**	**$(2,000,000)**	**$(1,265,231)**
Issuance of common stock	-	-	216,667	217	24,783	-	-	25,000
Issuance of common stock for loan agreements	-	-	1,389,167	1,389	203,945	-	-	205,334
Issuance of common stock for conversion of convertible debenture	-	-	250,000	250	62,250	-	-	62,500
Issuance of common stock for director compensation	-	-	15,000,000	15,000	2,985,000	-	-	3,000,000
Issuance of common stock for employee compensation	-	-	13,266,666	13,267	2,510,066	-	-	2,523,333
Issuance of common stock to advisors	-	-	1,000,000	1,000	9,000	-	-	10,000
Net loss	-	-	-	-	-	(5,168,886)	-	(5,168,886)
Balance, December 31, 2015	**200,000**	**$200**	**51,368,590**	**$51,369**	**$10,481,981**	**$(9,141,502)**	**$(2,000,000)**	**$(607,952)**

[1]*Reverse Stock Split* – On October 22, 2013, the Company approved a 150-for-1 reverse stock split of its common and series A preferred stock.

The accompanying notes are an integral part of these consolidated financial statements.

Real Brands, Inc. and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)
For the Year Ended December 31,

	2015	**2014**
Cash flows from operating activities:		
Net loss	$(5,168,886)	$(1,810,380)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,364	5,511
Non-cash stock payments to employees, directors and vendors	5,830,213	1,324,976
Effect on cash of changes in operating assets and liabilities:		
Prepaid expenses	2,471	1,164
Note and accounts receivable	161	(11,276)
Accounts payable	(60,526)	43,179
Inventory	(2,733)	-
Accrued expenses	(26,280)	(579)
Accrued compensation	(598,405)	383,609
Accrued interest	83,607	(61,750)
Net cash used by operating activities	**62,986**	**(125,548)**
Cash flows from investing activities:		
Purchases of equipment and trademark	-	1,590
Net cash used in investing activities	**-**	**1,590**
Cash flows from financing activities:		
Proceeds from short-term loans	(88,529)	104,964
Proceeds from sale of stock	25,000	20,000
Net cash provided by financing activities	**(63,529)**	**124,964**
Net increase in cash	**(543)**	**1,006**
Cash, beginning of year	**2,153**	**1,147**
Cash, end of year	**$1,610**	**$2,153**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to consolidated financial statements

Note 1 Nature of Operations and Going Concern

Real Brands, Inc. ("Real Brands" or the "Company"), was incorporated under the laws of the state of Nevada on November 6, 1992. The Company was formed under the name Mercury Software. From 1997 to 2005 the Company changed its name several times. On October 10, 2005, the Company changed its name to Global Beverage Solutions, Inc. and began trading on the OTC Bulletin Board under the symbol GBVS.OB.

On October 22, 2013, the Company changed the name to Real Brands, Inc. The Financial Industry Regulatory Authority ("FINRA") approved Real Brands' corporate actions regarding its name change and its new stock symbol request and approved Real Brands' 150:1 Reverse Stock Split. The new symbol was designated as GBVSD. On November 19, 2013, the ticker symbol changed to RLBD.

Going concern

The ability of the Company to obtain necessary financing to build its sales, brand, marketing and distribution and fund ongoing operating expenses is uncertain. The ability of the Company to generate sales revenue to offset the expenses and obtain profitability is uncertain. The Company had a net loss as of December 31, 2015, and 2014, of $5,168,886 and $1,810,380, respectively. These material uncertainties cast doubt on the Company's ability to continue as a going concern. The Company will require additional financing from time to time, which it intends to obtain through the issue of common shares, debt, bonds, grants and other financial instruments. While the Company has been successful in raising funds through the issuances of common shares and obtaining debt in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms.

Liquidity

As of December 31, 2015, the Company had cash and cash equivalents of a $1,610 as compared to $2,153 as of December 31, 2014, (representing a decrease of $543). As of December 31, 2015, the Company had a working capital deficit of $855,927 as compared to a working capital deficit $1,519,042 as of December 31, 2014, (representing a decrease in the deficit of $663,114). This decrease was primarily due to the conversion of employee compensation into common stock shares.

The Company's plans with respect to its liquidity management include the following:

- The Company is seeking additional capital in the private and/or public equity markets to continue operations and build sales, marketing, brand and distribution. The Company is currently evaluating additional equity and debt financing opportunities and may execute them when appropriate. However, there can be no assurances that the Company can consummate such a transaction, or consummate a transaction at favorable pricing.
- The Company is seeking additional sources of cash flow with strategic businesses.

Note 2 Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The Company's consolidated financial statements and the notes thereto have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in the United States of America. The consolidated financial statements include Real Brands, and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Use of estimates and judgments

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. Key areas of estimation include the estimated useful lives of property, plant, equipment and intangibles assets and liabilities, income taxes, and the valuation of stock-based compensation. Due to the uncertainty inherent in such estimates, actual results may differ from the Company's estimate.

Segment Reporting

The Company operates as one segment, in which management uses one measure of profitability, and all of the Company's assets are located in the United States of America. The Company does not operate separate lines of business or separate business entities with respect to any of its product candidates. Accordingly, the Company does not have separately reportable segments.

Intangible Assets

At December 31, 2015, the Company was the holder of a trademark. This trademark will not be amortized, but will be tested for impairment. Trademark was $245,000 at December 31, 2015.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Factors that the Company considers in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant negative industry or economic trends, and significant changes or planned changes in the use of the assets. If an impairment review is performed to evaluate long-lived asset for recoverability, the Company compares forecasts of undiscounted cash flows expected to result from the use and eventual disposition of the long-lived asset to its carrying value. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of an asset over its fair value, determined based on discounted cash flows. To date, the Company has not recorded any impairment losses on long-lived assets.

Stock-based Compensation

The Company expenses stock-based compensation to employees and consultants based on the fair value at grant date. To date the Company has issued restricted common stock shares and preferred stock.

Income Taxes

The Company accounts for income taxes under the liability method whereby deferred tax assets and liabilities are provided for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recorded when management believes it is more likely than not that the tax benefits will be realized. Realization of the deferred tax assets is dependent upon generating sufficient taxable income in the future. The amount of deferred tax asset considered realizable could change in the near term if estimates of future income are modified.

The Company assesses its tax positions in accordance with "Accounting for Uncertainties in Income Taxes" as prescribed by the Accounting Standards Codification, which provides guidance for financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return for open tax years (generally a period of three years from the later of each return's due date or the date filed) that remain subject to examination by the Company's major tax jurisdictions. Generally, the Company is no longer subject to income tax examinations by major taxing authorities for years before 2009.

The Company assesses its tax positions and determines whether it has any material unrecognized liabilities for uncertain tax positions. The Company records these liabilities to the extent it deems them more likely than not to be incurred. Interest and penalties related to uncertain tax positions, if any, would be classified as a component of income tax expense.

The Company believes that it does not have any significant uncertain tax positions requiring recognition or measurement in the accompanying financial statements.

Fair Value Measurements

Fair value is defined as the price that the Company would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent counter-party in the principal market or in the absence of a principal market, the most advantageous market for the investment or liability. Fair value measurement establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Company's investments.

The inputs are summarized in the three broad levels listed below.

Level 1 – Quoted prices in active markets for identical assets and liabilities

Level 2 – Other observable inputs, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company discloses estimated fair values of its financial instruments. The Company, in estimating the fair values of financial instruments disclosed herein, used the following methods and assumptions:

Cash – The carrying amounts of cash approximate their fair value, which is characterized as a Level 1 in the fair value hierarchy.

Notes payable – The carrying amounts of these short-term borrowings approximate their fair values. Fair values for borrowings are estimated based upon the interest rates, current economic conditions, risk characteristics, collateral and other factors and are characterized as a Level 2 in the fair value hierarchy.

Equipment

Equipment is recorded at cost and is depreciated using a straight-line method over the estimated useful life of each asset. The estimated useful lives are as follows:

Asset	**Rate**
Furniture and fixtures	3 years
Computer and telecommunications equipment	3 years
Trade show equipment	3 years

Loss Per Share Information

The Company presents basic and diluted earnings (loss) per share ("EPS"). Basic EPS is calculated by dividing the net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted EPS is calculated by dividing the net loss attributable to ordinary shareholders of the Company by the weighted average number of common shares outstanding, adjusted for the effects of all dilutive potential common shares.

Treasury Stock

The Company accounts for treasury stock under the cost method and include treasury stock as a component of stockholder's deficit.

Cash

From time to time the Company maintains cash with financial institutions in excess of federally insured limits.

NOTE 3 Equipment

Equipment consisted of the following:

	December 31, 2015
Furniture and fixtures	$2,981
Computer and electronics	5,513
Trade show equipment	5,000
Total assets prior to accumulated depreciation	$13,494
Accumulated depreciation	(10,519)
Total	**$2,975**

Depreciation expense related to equipment amounted to $3,364 and $1,134 for the year and three months ended December 31, 2015.

NOTE 4 Trademark

On May 1, 2013, the Company acquired "The Original Sandwich Sauce," trademark and trade show equipment for 3,333,333 shares of common stock for a fair market value of $250,000. The Company allocated $245,000 of the acquisition to trademark.

NOTE 5 Notes payable and other accrued expenses

The Company has entered into several loan agreements. The loan agreements have an interest rate ranging from 0% to 18%. As of December 31, 2015 the following notes were outstanding:

	Loan payable	Accrued interest
Note to an investor (14%)	$95,000	$83,363
Note to a consultant (14%)	71,522	65,479
Note to an officer (5%)	31,262	11,127
Note to a consultant (0%)	44,373	-
Note to a consultant (18%)	25,000	3,230
Note to a consultant (4%)	30,000	589
Note to a consultant (12%)	5,250	385
Note to a consultant (7.5%)	198,450	27,941
Total	**$500,857**	**$192,113**

Interest expense related to the notes payable amounted to $70,640, and $16,506 for the year and three months ended December 31, 2015.

On June 18, 2015, the Company converted $120,000 of a note due to an officer for 800,000 common stock shares.

On May 4, 2015, the Company received a convertible loan in the amount of $25,000 with a 20% original issue discount, 4% interest and due in 90 days. In addition, the Company issued 300,000 common stock shares for the loan.

On February 13, 2015, the Company received a loan in the amount of $25,000 with 0% interest for the first 60 days and then 18% thereafter if the loan is not repaid. In addition, the Company issued 25,000 common stock shares for the loan and will issue 25,000 shares per month until the loan is repaid. As of December 31, 2015, 264,167 common stock shares were issued for accrued interest of $13,083.

On March 24, 2015, the Company converted principal on a loan in the amount of $25,000 for 250,000 common stock shares.

On May 16, 2014, the Company converted interest on a loan in the amount of $110,833 for 1,166,667 common stock shares.

On September 2, 2015, the Company was a defendant in a default final judgment for the payment of past due office rental expenses and legal fees, for the termination of a lease on its prior corporate office location. The judgment consisted of office rental expenses of $71,069.

NOTE 6 Stockholder's equity

Series A Preferred Stock

At December 31, 2015, an officer of the Company owns 100% of the outstanding series A preferred stock. The officer owns 200,000 shares, which are issued and outstanding. On July 17, 2013, the shares were issued as payment for accrued salaries payable to an officer.

Common Stock

On June 18, 2015, the Company increased the authorized common stock shares to 98,000,000.

On June 18, 2015, the Company converted accrued employee compensation of $690,000 into 5,600,000 common stock shares. The Company also issued 15,000,000 shares to a director and 7,666,666 shares to an officer.

On September 15, 2015, the Company issued 1,000,000 common stock shares to an employee with a value of $70,000.

On December 8, 2015, the Company issued 1,000,000 common stock shares to a consultant for investor relations with a value of $10,000.

At December 31, 2015, officers and directors of the Company owned 62% of the outstanding common stock shares. The officers own 32,199,999 common stock shares, which are issued and outstanding.

On December 13, 2011, 3,333,333 of the common stock shares were issued to an officer as payment for an employment agreement provision that was activated by a change in control. On May 1, 2013, 3,333,333 of the common stock shares were issued as payment for a trademark acquired from an officer of the Company. On July 17, 2013, officers of the Company received 5,000,000 common stock shares at the inception of the employment agreements. An officer of the Company received 250,000 common stock shares as incentive to loan the Company up to $250,000. On May 1, 2014, officers of the Company received 1,333,334 common stock shares in accordance with their employment agreements.

On May 1, 2014, Real Brands International Group Limited was formed in Hong Kong as a Special Purpose Vehicle (SPV) for the purpose of financing and exploiting the Company's intellectual property rights within the Asian Territory. The Company will contribute 8,000,000 common stock shares to the SPV, having a fair market value of $2,000,000. Additionally the Company will issue 1,000,000 common stock shares to Endeavor Global Partners (HK) for their advisory services regarding the SPV transaction, having a fair market value of $250,000. These shares were then returned to the Company and converted to Treasury Shares.

NOTE 7 Commitments and Contingencies

On June 18, 2015 the Company terminated a lease it entered on October 8, 2013. The lease agreement was dated through December 31, 2016 for office space in Sunrise, Florida. The Company was required to provide $2,471 as a security deposit which was forfeited.

On May 15, 2013, the Company entered into a license agreement with the Hillbilly brand for licensing the Hillbilly brand on beverages. The agreement went from June 1, 2013 through December 31, 2018. The Company was to provide $25,000 advance royalty in year one and then a 6% royalty on sales with a $50,000 minimum guaranteed royalty. For each of the years two through five the royalty was 6%. The minimum guaranteed royalty was: $50,000 on year two; $75,000 on year three; $100,000 on year four; and $125,000 on year five. On March 28, 2016, the Company executed a letter of intent to acquire the controlling interest of the HillBilly Brand, Inc. trademarks for nonalcoholic beverages, beer and malt beverages. The Letter of Intent contains broad terms of a potential transaction through which RLBD would own controlling interest of two subsidiaries and HillBilly Brand, Inc. would own the balance of the same two subsidiaries. These two subsidiaries will focus on growing the operations and trademark value for HillBilly branded nonalcoholic beverages, beer and malt beverages.

NOTE 8 Income Taxes

The Company has incurred net operating losses since inception. The Company has not reflected any benefit of such net operating loss carryforwards ("NOL") in the accompanying consolidated financial statements and has established a full valuation allowance against its deferred tax assets. Deferred income taxes reflect the net effect of (a) temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and (b) operating losses and tax credit carryforwards.

The reconciliation of the combined U.S. Federal and State statutory income tax rate (34.0%) on the loss for the years ended December 31. The Company in the United States must also account for a 5.5% tax rate in the state of Florida.

The Company has federal net operating loss carry forwards which expire beginning in 2026. Utilization of the net operating loss carry forwards and credits may be subject to a substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code of 1986, as amended, or the IRC, and similar state provisions. The Company has not performed a detailed analysis to determine whether an ownership change under Section 382 of the IRC has occurred. The effect of an ownership change would be the imposition of an annual limitation on the use of net operating loss carry forwards attributable to periods before the change. Any limitation may result in expiration of a portion of the NOL or research and development credit carry forwards before utilization. The Company has no unrecognized tax benefits and does not anticipate any significant change to the unrecognized tax benefit balance. The Company would classify interest and penalties related to uncertain tax positions in income tax expense, if applicable. There was no interest expense or penalties related to unrecognized tax benefits recorded through December 31, 2015. The tax years 2007 through 2015 remain open to examination by one or more major taxing jurisdictions to which the Company is subject.

NOTE 9 Subsequent Events

On March 28, 2016, the Company executed a letter of intent to acquire the controlling interest of the HillBilly Brand, Inc. trademarks for nonalcoholic beverages, beer and malt beverages. The Letter of Intent contains broad terms of a potential transaction through which RLBD would own controlling interest of two subsidiaries and HillBilly Brand, Inc. would own the balance of the same two subsidiaries. These two subsidiaries will focus on growing the operations and trademark value for HillBilly branded nonalcoholic beverages, beer and malt beverages.