

**LIMITLESS VENTURE GROUP INC.**  
**(FORMERLY ENERBRITE TECHNOLOGIES GROUP INC.)**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION**

Corporate Changes and History of Company

Limitless Venture Group Inc. (the “Company”) was incorporated in the State of Nevada on March 5, 2007.

On May 29, 2012, the Company entered into an Acquisition Agreement with SBSI Nutraceuticals, Inc., a privately held Nevada corporation (“SBSI”), pursuant to which the Company acquired SBSI.

In accordance with the terms of the Acquisition Agreement, at the closing, an aggregate of 10,000 shares of the Company’s Common Stock were issued to the holders of SBSI’s common stock in exchange for their shares of SBSI.

Corporate Name Changes

On January 22, 2013, the Company filed Certificate of Amendment to Articles of Incorporation in Nevada to change its name from Enerbrite Technologies Group, Inc. to Limitless Venture Group Inc; to enact a 1-for-1,000 reverse stock split of the Company Common Stock and change the number of authorized shares of Common Stock to 250,000,000 having a par value of \$0.0001 per share.

Additionally, the name change was submitted to The Financial Industry Regulatory Authority (“FINRA”). The Company asked FINRA to authorize a new trading symbol and thus, its trading symbol is “LVGI.”

Line of Business

The Company’s business plan is to acquire and develop technology dedicated to the production, distribution and marketing of unique, quality product lines in the Nutraceutical sector with a key focus on wellness, anti-aging and HRT (Hormone Replacement Therapy) for both males and females. The Company plans to become a full service brand development company with an in house bio-chemical engineering and formulations department.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, SBSI and its subsidiaries. All significant inter-company accounts and transactions were eliminated in consolidation.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Cash and Cash Equivalents

Cash equivalents include investment instruments, CD's and time deposits purchased with a maturity of three months or less.

### Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation. Depreciation and amortization is calculated using the straight-line method over the expected useful life of the asset, after the asset is placed in service.

### Impairment of Long-Lived Assets

The Company has adopted ASC 360, "Accounting for Impairment or Disposal of Long-Lived Assets." In complying with these standards, the company reviews its long-lived assets to determine if any events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. The company determines impairment by comparing the undiscounted future value cash flows estimated to be generated by its assets to their respective carrying amounts whenever events or changes in circumstances indicate that an asset may not be recoverable.

### Net Loss Per Common Share

The Company computes per share amounts in accordance with Statement of Financial Accounting Standards ASC Topic 260, "Earnings per Share". ASC Topic 260 requires presentation of basic and diluted EPS. Basic EPS is computed by dividing the income (loss) available to Common Stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS is based on the weighted-average number of shares of common stock and common stock equivalents outstanding during the periods.

### Income Taxes

The Company provides for income taxes under ASC 740, which requires the use of an asset and liability approach in accounting 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. The Company's predecessor operated as entity exempt from Federal and State income taxes.

ASC 740 also requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Tax returns for the years from 2010 to 2012 are subject to examination by tax authorities.

### Stock-Based Compensation

ASC Topic 718, "Accounting for Stock-Based Compensation" prescribes accounting and reporting standards for all stock-based compensation plans, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights.

ASC Topic 718 requires employee compensation expense to be recorded using the fair value method. This standard was effective as of the first interim or annual fiscal period that began after December 15, 2005. The Company accounts for employee stock based compensation in accordance

with the provisions of ASC Topic 718. For non-employee options and warrants, the company uses the fair value method as prescribed in ASC Topic 718.

**NOTE 3 - GOING CONCERN**

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. As shown in the consolidated financial statements for the year ended June 30, 2013, the Company incurred net losses of \$10,289,542. At June 30, 2013, the Company had a working capital deficit of \$1,279,286 and accumulated losses of \$17,665,896. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plan is to obtain such resources for the Company by obtaining capital from management and significant shareholders sufficient to meet its minimal operating expenses and seeking equity and/or debt financing. However management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

**NOTE 4 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities are as follows:

	<b>June 30, 2013</b>	<b>June 30, 2012</b>
Accounts payable	\$ 511,773	\$ 510,860
Accrued interest	705,062	573,181
Other accrued liabilities	10,572	8,540
Total	<u>\$ 1,227,407</u>	<u>\$ 1,092,581</u>

**NOTE 5 – SHORT-TERM ADVANCES**

As of June 30, 2013 and 2012, the Company owed \$230,151 and \$167,313 respectively, to certain individuals, including the Chief Executive Officer, for cash advanced to the Company for operating purposes. The advances are repayable on demand.

## **NOTE 6 –RELATED PARTY TRANSACTIONS**

The Chief Executive Officer owns 1 share of the Company's Preferred C Stock, which is convertible, at the holder's sole option, into 51% of the outstanding Company Common Stock in the event of default on a Company Note Payable.

In June 2012, the Company issued 12,500 shares of restricted Common Stock to members of its board of directors, and in March 2013, the Company issued 10,000,000 shares of restricted Common Stock to the Chief Executive Officer.

## **NOTE 7 – COMMITMENTS AND CONTINGENCIES**

### Employment Agreement

On February 1, 2013, the Company entered into an employment agreement with Peter Scalise III pursuant to which the Company employed Mr. Scalise as President, Chief Executive Officer and Chairman of the Board of Directors. The agreement is for an initial term of three years and provides for an annual base salary during the term of the agreement of \$185,000 initially with annual cost of living increases. Mr. Scalise III is to receive an annual bonus that is payable 50% in cash and 50% in fully vested Company stock options having an exercise price equal to the Company's current market price for its Common Stock at the time of the grant. The amount of the bonus is based on 3% of the Company's annual revenue, 3% of the Company's pre-tax net operating profit and any discretionary bonus awarded by the Company's Board of Directors. Mr. Scalise III is to receive an \$11,400 annual allowance for gas, auto maintenance and cell phone costs. Mr. Scalise III is to be paid commissions on sales of equal to \$9 per case of SLAM products sold and 15% of GEAR, Limitless Body and Limitless Health products sold. In the event that the Company accepts an offer to sell any of its product lines, Mr. Scalise III is to receive a cash bonus payment equal to 20% of the sales price. In addition to salary and benefit provisions, the agreement includes a six-month non-compete and non-solicitation provisions. The Company issued 10,000,000 shares of restricted Common Stock to Mr. Scalise III for signing the Employment Agreement.

### Lease

Beginning in September 2010, SBSI leases its office and production facility under a non-cancelable operating lease that expires in November 2013. Rent expense for the year ended June 30, 2013 was \$55,833.

### Payroll Taxes

At June 30, 2013, the Company is delinquent with filing and remitting payroll taxes of approximately \$50,000 including estimated penalties and interest related to payroll taxes withheld since 2011. The Company has recorded the delinquent payroll taxes, which are included in accrued expenses on the balance sheet. Although the Company has not entered into any formal repayment agreements with the respective tax authorities, management plans to make payment as funds become available. Penalties and interest amounts are subject to increase based on a number of factors that can cause the estimated liability to increase further. Interest and penalties were accrued in an amount estimated to cover the ultimate liability.

## **NOTE 8 – SHAREHOLDERS' EQUITY**

### **Preferred stock**

The Company has authorized 401,500,001 shares of Preferred Stock, consisting of 100,000,000 shares of Preferred A, 300,000,000 shares of Preferred B, 1 share of Preferred C and 1,500,000 shares of 8% Convertible Preferred.

As of June 30, 2013, 1 share of Preferred C is issued and outstanding and no other shares of Preferred Stock are issued and outstanding. The Preferred C stock is convertible into 51% of the outstanding common stock in the event of default of a promissory note.

### **Common stock**

In June 2012, the Company issued 12,500 shares of restricted Common Stock to members of its board of directors and 50,000 shares of Common Stock, valued at \$5,000, to consultants in exchange for services to be rendered.

The Company effectuated a 1 for 1,000 reverse stock split on January 22, 2013. All Common Stock and related information has been retroactively restated. In addition, contemporaneously with the stock split the Company changed its authorized Common stock, par value \$0.0001 to 250,000,000 shares.

During the year ended June 30, 2013, the Company converted note payable principal of \$6,163 into 6,162,600 shares of Common Stock.

In March 2013, the Company issued 10,000,000 shares of restricted Common Stock to its Chief Executive Officer (See Note 7).