



FINANCIAL NOTES April 1, 2010 through June 30, 2010

NOTE A – BASIS OF PRESENTATION SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim financial statements of Heathrow Natural Food & Beverage, Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – Advances from Related Parties

This reflects monies owed the CEO from direct cash loans and does not include deferred salary or bonuses.

NOTE C - GOING CONCERN

There are no assurances that Heathrow Natural Food & Beverage, Inc. will be able to achieve a level of revenues adequate to generate sufficient cash flow from operations. There are no assurances that additional financing will be available and if it is not, then Heathrow Natural Food & Beverage may not be able to continue its operations or execute its business plan.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might be necessary should Heathrow Natural Food & Beverage be unable to continue as a going concern.

Note D – Capitalized Film Production Costs

Capitalized film production costs as of June 30, 2010 of \$685,000 represent the costs to produce a reality television production. The total amount of the film production costs has been capitalized and costs are expected to be charged against the future revenues based on the income-forecast method through which costs are applied to revenue based on a forecast of anticipated future revenues to be generated.

Note E – Stockholders' Equity

Common Stock

In March 2009, HNF B affected a 1 for 300 reverse stock split. All current and prior year share amounts have been adjusted to reflect post-split share and per share amounts.

As of June 30, 2010 there were approximately 7.3 Billion shares outstanding and 10,000,000,000 authorized.

Debt Conversion

During the three months ended June 30, 2010, there were no debt conversions and no debt conversion instruments in place.

Warrants and Options Exercised

During the three months ended June 30, 2010, options to purchase 1,500,000,000 shares were exercised for cash proceeds of \$75,000.

NOTE F - CONCENTRATIONS OF CREDIT RISK

HRNF has a concentration of credit risk primarily related to accounts receivable balances, which are generally not collateralized