

**RESOURCE VENTURES, INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**



# **RESOURCE VENTURES, INC.**

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## Independent Accountants' Compilation Report

To the Board of Directors and Shareholders  
RESOURCE VENTURES, INC.  
Silverado, California

We have compiled the accompanying consolidated balance sheet of RESOURCE VENTURES, INC. (a Nevada corporation) and its subsidiary as of December 31, 2012, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the year then ended. We have not audited or reviewed the accompanying consolidated financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Fountain Valley, California  
March 11, 2013

*Olsted and Associates.  
Accountancy Corporation*

**RESOURCE VENTURES, INC.**  
**CONSOLIDATED BALANCE SHEET**  
**DECEMBER 31, 2012**

**Assets**

**Current Assets:**

Accounts receivable	\$ 146,267
Due from officers	212,852
<b>Total Current Assets</b>	<u>359,119</u>

**Property and Equipment, net of accumulated depreciation**

34,996

**Other Assets**

Goodwill	35,568
Investment in GEM, Ltd. project	130,000
<b>Total Other Assets</b>	<u>165,568</u>

**Total Assets**

\$ 559,683

**Liabilities and Stockholders' Equity**

**Current Liabilities:**

Bank overdraft	\$ 1,339
Accounts payable and accrued expenses	175,557
Income taxes payable	5,312
Other current liabilities	64,291
<b>Total Current Liabilities</b>	<u>246,499</u>

**Stockholders' Equity:**

Preferred stock	20,000
Common stock	597,347
Additional paid in capital	249,393
Treasury stock	(100,000)
Accumulated deficit	(453,556)
<b>Total Stockholders' Equity</b>	<u>313,184</u>

**Total Liabilities and Stockholders' Equity**

\$ 559,683

**RESOURCE VENTURES, INC.**  
**CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Amount</u>	<u>%</u>
<b>Sales Revenue</b>	\$ 1,573,603	100.0
<b>Cost of Goods Sold</b>	<u>1,187,045</u>	<u>75.4</u>
<b>Gross Profit</b>	386,558	24.6
<b>General and Administrative Expenses</b>	<u>353,535</u>	<u>22.5</u>
<b>Income (Loss) From Operations</b>	33,023	2.1
<b>Provision for Income Taxes</b>	<u>7,837</u>	<u>0.5</u>
<b>Net Income (Loss)</b>	<u><u>\$ 25,186</u></u>	<u><u>1.6</u></u>

See accompanying independent accountants' compilation report and notes to consolidated financial statements.

**RESOURCE VENTURES, INC.**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Preferred Stock</u>	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Treasury Stock</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balance-December 31, 2011	\$ 20,000	\$ 467,347	\$ 149,393	\$ -	\$ (321,626)	\$ 315,114
Prior period adjustment	-	-	-	-	(157,116)	(157,116)
Adjusted Balance- December 31, 2011	20,000	467,347	149,393	-	(478,742)	157,998
Net income (loss)	-	-	-	-	25,186	25,186
Issuance of common stock	-	130,000	-	-	-	130,000
Return of surrendered common stock to treasury	-	-	100,000	(100,000)	-	-
Balance-December 31, 2012	<u>\$ 20,000</u>	<u>\$ 597,347</u>	<u>\$ 249,393</u>	<u>\$ (100,000)</u>	<u>\$ (453,556)</u>	<u>\$ 313,184</u>

See accompanying independent accountants' compilation report and notes to consolidated financial statements.

**RESOURCE VENTURES, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Cash Flows From Operating Activities:**

Net income (loss)	\$ 25,186
<b>Adjustments To Reconcile Net Income (Loss) To</b>	
<b>Net Cash Provided (Used) By Operating Activities:</b>	
(Gain)/Loss on disposal of assets	317
<b>Changes in Assets and Liabilities:</b>	
<b>(Increase) Decrease in Assets:</b>	
Accounts receivable	(27,140)
<b>Increase (Decrease) in Liabilities:</b>	
Bank overdraft	(10,938)
Accounts payable and accrued expenses	(11,490)
Income tax payable	5,312
Other current liabilities	(10,279)
<b>Total Adjustments</b>	<u>(54,218)</u>
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>(29,032)</u>

**Cash Flows From Investing Activities:**

Acquisition of furniture and equipment	(4,912)
Increase in due from officers	33,944
<b>Net Cash Flows Provided (Used) By Investing Activities:</b>	<u>29,032</u>

**Cash Flows From Financing Activities:**

Proceeds from issuance of stock	-
<b>Net Cash Provided (Used) By Financing Activities</b>	<u>-</u>
Net Increase (Decrease) In Cash	-
Cash, Beginning Of Period	<u>-</u>
<b>Cash, End Of Period</b>	<u>\$ -</u>

**Supplemental Disclosures of Cash Flow Information:**

Cash paid during the period for:

Interest	\$ 13,459
Income taxes	<u>\$ 2,250</u>

**Supplemental Disclosures of Non-cash Investing Activities:**

Common stock exchanged for investment interest in GEM, Ltd. Project	<u>\$ 130,000</u>
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**Supplemental Disclosures of Non-cash Financing Activities:**

Common stock surrendered and converted to treasury stock	<u>\$ 100,000</u>
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See accompanying independent accountants' compilation report and notes to consolidated financial statements.

**RESOURCE VENTURES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose and Organization

The Company was incorporated on March 1, 2001 as Riverside R.V. Rentals, Inc. under the laws of the State of Nevada. The company changed its name to Resources Printing & Graphics, Inc. on November 15, 2006. The Company amended its Articles of Incorporation on March 20, 2008 changing the Company's name to Elleipsis Global Travel Solutions, Inc. The Company amended its Articles of Incorporation on February 19, 2010 changing the Company's name to Resource Ventures, Inc. The Company, through its wholly owned subsidiary Resources Printing & Graphics, a California corporation, acts as a broker to produce a wide variety of printed products. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All significant inter-company transactions and balances have been eliminated in consolidation. The Company has adopted a December 31 year-end for financial reporting and income tax purposes.

Accounting Method

The Company recognizes assets and liabilities, revenues and expenses by the accrual method of accounting as required by generally accepted accounting principles.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

Revenue Recognition

Revenue from sales is recognized at the time customer billings are generated.

Concentration of Risk

The Company maintains cash balances with a financial institution which may at times exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC). The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

Segment Information

GAAP establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports issued to stockholders. GAAP also established standards for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation in the chief operation decision maker, or decision-making group, in making decisions to allocate resources and assess performance. The information disclosed herein, materially represents all of the financial information related to the Company's principal operating segment.

**RESOURCE VENTURES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives using the straight-line method. Useful lives for purposes of computing depreciation are as follows:

	<u>Years</u>
Furniture and fixtures	7
Office equipment	3 - 5

Expenditures that materially increase the asset life are capitalized, while ordinary maintenance and repairs are charged to operations as incurred. When assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in earnings.

Valuation of Goodwill and Other Intangible Assets

GAAP requires that all business combinations initiated after June 30, 2001 be accounted for using the purchase method of accounting and identifiable intangible assets acquired in a business combination be recognized as assets and reported separately from goodwill. GAAP requires that goodwill and indefinite-lived intangible assets no longer be amortized, but instead tested for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying amount of goodwill or an identifiable intangible asset exceeds its fair value, an impairment loss would be recognized. Potential impairment is measured based on various business valuation methodologies, including a projected discounted cash flow method.

Impairment of Long-Lived Assets

GAAP requires that long-lived assets, such as property and equipment and purchased intangibles subject to amortization, be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the asset is measured by comparison of its carrying amount to undiscounted future net cash flows the asset is expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the asset exceeds its fair market value. Estimates of expected future cash flows represent management's best estimate based on currently available information and reasonable and supportable assumptions. An impairment recognized in accordance with GAAP is permanent and may not be restored. Based on our review, we determined that long-lived assets were not impaired as of December 31, 2012.

Earnings Per Common Share

The Company computes earnings per share in accordance with GAAP. Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock and dilutive common stock equivalents outstanding during the period. During the year ended December 31, 2012, common stock equivalents are not considered in the calculation of the weighted average number of common shares outstanding because they would be antidilutive, thereby decreasing the earnings per common share.

**RESOURCE VENTURES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

For income tax purposes, the Company uses the cash basis of accounting whereby income is recognized when received and expenses are recognized when paid. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently payable plus deferred taxes arising from temporary differences in the bases of assets and liabilities for financial reporting and income tax purposes. These differences result principally from the use of accelerated depreciation methods for tax purposes, the use of the cash basis method of accounting for income tax reporting, and net operating loss carryforwards. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. The components of the deferred tax asset and liability are classified as current and noncurrent based on their characteristics. Valuation allowances are recorded to reduce deferred tax assets to the amounts management concludes are more-likely-than-not to be realized.

Income tax benefits are recognized and measured based upon a two-step model: 1) a tax position must be more-likely-than-not to be sustained based solely on its technical merits in order to be recognized, and 2) the benefit is measured as the largest dollar amount of that position that is more-likely-than-not to be sustained upon settlement. The difference between the benefit recognized and the tax benefit claimed on a tax return is referred to as an unrecognized tax benefit (UTB). Based on the results of management's evaluation of the income tax positions taken or expected to be taken on the Company's income tax returns, an examination by the various taxing authorities would not result in a material adjustment to the Company's financial statements. The Corporation records income tax-related interest and penalties, if applicable, within general and administrative expenses.

The Company's income tax returns are subject to examination by the federal taxing authorities for a period of three years and by the California taxing authorities for a period of four years from the date they are filed. As of December 31, 2012, the following tax years are subject to examination:

<u>Jurisdiction</u>	<u>Open Years for Filed Returns</u>	<u>Returns to be filed in 2013</u>
Federal	2009 - 2011	2012
California	2008 - 2011	2012

Advertising

Advertising costs, which are included in operating costs in the statement of income, are expensed as incurred. Advertising expense amounted to \$613 for the year ended December 31, 2012.

NOTE B - RELATED PARTY TRANSACTIONS

As of December 31, 2012, the Company has advanced funds to officers in the amount of \$212,852. The advances are non-interest bearing and management anticipates the advances will be repaid in the near term.

During the year ended December 31, 2012, the Company exchanged 130,000,000 shares of common stock for a 12.5% interest in an electrical power generating station development project (See Note G).

**RESOURCE VENTURES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

NOTE C – GOODWILL

Goodwill

The following is a summary of goodwill for the year ended December 31, 2012:

	<u>Amount</u>
Balance - December 31, 2011	\$ 35,568
Impairment losses	<u>-</u>
Balance - December 31, 2012	<u><u>\$ 35,568</u></u>

To date, the Company has recognized no impairment of goodwill.

NOTE D - FAIR VALUE

GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between willing market participants on the measurement date. The Company determines the fair values of its financial instruments based on the fair value hierarchy established per GAAP which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value.

Fair-Value Hierarchy

GAAP specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair-value hierarchy:

- Level 1 - Quoted market prices for *identical* instruments in active markets.
- Level 2 - Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and modes using inputs that are observable or can be corroborated by observable market data of substantially the full term of the instrument.
- Level 3 - Valuations derived using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable and when determination of the fair value requires significant management judgment or estimation.

The Company considers relevant and observable market prices in its valuations where possible. The frequency of transaction, the size of the bid-ask spread and the amount of adjustment necessary when comparing similar transactions are all factors in determining the liquidity of markets and the relevance of observed prices in those markets.

The carrying amount of financial instruments including cash, accounts receivables and accounts payable approximate fair value because of the relatively short maturity of these instruments.

**RESOURCE VENTURES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

NOTE E - COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases its operating facility under a month-to-month operating lease. Lease expense amounted to approximately \$21,370 for the year ended December 31, 2012.

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2012 is summarized as follows:

	Amount
Furniture and fixtures	27,367
Office equipment	65,930
	93,297
Less: Accumulated depreciation	(58,301)
	\$ 34,996

Depreciation expense was not material and, therefore, has not been included in the financial statements at December 31, 2012.

NOTE G - OTHER ASSETS

Included in other assets at December 31, 2012 is an investment in an electrical power generating station development project controlled by shareholder Global Energy Management, Ltd. (See Note B). The Company purchased a 12.5% investment in the project in exchange for 130,000,000 shares of common stock.

NOTE H - PROVISION FOR INCOME TAXES

The provision for income taxes for the year ended December 31, 2012, consists of the following:

	Amount
Current	\$ 7,837
Deferred	-
Provision (benefit) for taxes	\$ 7,837

Deferred tax assets and liabilities were not material and, therefore, have not been included in the financial statements at December 31, 2012.

**RESOURCE VENTURES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE I - PREFERRED STOCK**

The Company is authorized to issue 30,000,000 shares of Series A Convertible Preferred Stock with a par value of \$.001 per share. As of December 31, 2012, the Company has issued and outstanding 20,000,000 shares of Series A Convertible Preferred Stock. Each share of preferred stock is convertible, at the option of the holders, into 10 common shares after a holding period of one year. The valuation of preferred stock issued for services was based on the fair value of services received which did not differ materially from the value of the stock issued.

Holders of the preferred shares are entitled to receive a cash or property dividend per share in the amount equal to the cash or property which would be received by the holders of the number of shares of common stock into which such preferred share could be converted.

Holders of each share of Series A preferred stock have the right to votes equal to the result of: (i) the number of shares of common stock of the Company (the "Common Shares") issued and outstanding at the time of such vote multiplied by 110%, divided by (ii) the total number of Preferred Shares issued and outstanding at the time of such vote.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of the preferred shares shall be entitled to receive in cash out of the assets of the Company, whether from capital or from earnings available for distribution to its stockholders before any amount shall be paid to the holders of any of the capital stock of the Company of any class junior in rank to the Preferred shares in respect of the preferences as to the distributions and payments on the liquidation, dissolution and winding up of the Company.

All shares of common stock shall be of junior rank to all preferred shares in respect to the preferences as to distributions and payments upon the liquidation, dissolution and winding up of the Company. The rights of the shares of common stock shall be subject to the preferences and relative rights of the preferred shares.

Subject to the rights of the holders, if any, of the Pari Passu Shares, the holders of the preferred shares shall as holders of preferred stock, be entitled to such dividends paid and distributions made to the holders of common stock to the same extent as if such holders of preferred shares had converted the preferred shares into common stock on the record date for such dividends and distributions. Payments under the preceding sentence shall be made concurrently with the dividend or distribution to the holders of common stock.

**NOTE J - COMMON STOCK**

On March 10, 2011, the Company amended its Articles of Incorporation to increase the number of authorized shares of common stock from 300,000,000 to 800,000,000 with a par value of \$.001 per share. As of December 31, 2012, the Company has issued 472,660,547 shares of common stock with 372,660,437 outstanding.

**NOTE K - TREASURY STOCK**

On September 4, 2012, officers of the Company surrendered 100,000,000 shares of common stock with a par value of \$.001 per share. These shares are held as treasury stock as of December 31, 2012.

**RESOURCE VENTURES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE L - PRIOR PERIOD ADJUSTMENT**

During the year ended December 31, 2012, the Company discovered an error in previously reported retained earnings due to an overstatement of income and an understatement of various expenses. As a result, the correction of this error had the following effects on the December 31, 2011 financial statements: net income and retained earnings decreased by \$157,116, sales decreased by \$72,502, general and administrative expenses increased by \$84,614, deferred revenue increased by \$72,502, and due from officers decreased by \$84,614.

**NOTE M - SUBSEQUENT EVENTS**

Management has evaluated the effect of subsequent events through March 11, 2013, which is the date the financial statements were available to be issued. There were no subsequent events requiring recognition as of December 31, 2012.