

**IMPACT FUSION INTERNATIONAL, INC.  
F/K/A RED REEF LABORATORIES, INC.**

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**IMPACT FUSION INTERNATIONAL, INC.  
F/K/A RED REEF LABORATORIES INTERNATIONAL, INC.  
CONSOLIDATED BALANCE SHEETS**

ASSETS:	Unaudited	
	March 31, 2009	September 30, 2008
<b>CURRENT ASSETS</b>		
Cash	\$ 6,393	\$ 70,469
Total current assets	<u>6,393</u>	<u>70,469</u>
<b>PROPERTY AND EQUIPMENT, net</b>	370,078	377,036
<b>TOTAL ASSETS</b>	<u>\$ 376,471</u>	<u>\$ 447,505</u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT:</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 184,406	\$ 145,655
Accrued expenses and other liabilities	166,313	111,688
Convertible note payable - affiliate	55,000	55,000
Note payable - affiliate	83,908	83,908
Note payable - current	335,000	335,000
Total current liabilities	<u>824,627</u>	<u>731,251</u>
Convertible notes payable - affiliates	61,000	61,000
<b>TOTAL LIABILITIES</b>	<u>885,627</u>	<u>792,251</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	-	-
<b>STOCKHOLDERS' DEFICIT:</b>		
Preferred stock series A, \$.001 par value, 10,000,000 shares authorized; 1,000 and 0 issued and outstanding as of March 31, 2009 and September 30, 2008, respectively	1	1
Common stock, \$.0001 par value, 1,500,000,000 shares authorized; 1,427,078,860 and 1,383,033,406 issued and outstanding as of March 31, 2009 and September 30, 2008, respectively	142,709	138,304
Additional paid-in capital	7,221,973	7,160,310
Common stock subscribed, 44,045,454 shares	-	66,068
Accumulated deficit	(7,873,839)	(7,709,429)
Total stockholders' deficit	<u>(509,156)</u>	<u>(344,746)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<u>\$ 376,471</u>	<u>\$ 447,505</u>

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

**IMPACT FUSION INTERNATIONAL, INC.**  
**F/K/A RED REEF LABORATORIES INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2009 AND 2008- Unaudited**

	Three Months	
	2,009	2,008
Revenue	\$ 1,399	\$ 9,644
Total	<u>1,399</u>	<u>9,644</u>
Cost of Sales	<u>-</u>	<u>-</u>
Gross Profit	1,399	9,644
OPERATING EXPENSES:		
General and administrative	46,947	26,005
Selling and marketing	604	1,316
Depreciation and amortization	3,479	3,479
Total operating expenses	<u>51,030</u>	<u>30,800</u>
OPERATING LOSS	<u>(49,631)</u>	<u>(21,156)</u>
OTHER (INCOME) AND EXPENSES		
Interest expense	13,716	10,926
Interest income	-	-
Loss on the sale of assets	-	-
Total other (income) expense	<u>13,716</u>	<u>10,926</u>
NET LOSS	<u>\$ (63,347)</u>	<u>\$ (32,083)</u>
NET LOSS PER SHARE:		
Basic	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Basic	<u>1,427,078,860</u>	<u>992,078,860</u>
Diluted	<u>1,427,445,526</u>	<u>992,445,526</u>

The accompanying notes are an integral part of these consolidated f

**IMPACT FUSION INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENT OF STOCKHOLDER EQUITY**  
**FOR THE SIX MONTHS ENDED MARCH 31, 2009 AND 2008 - Unaudited**

	Common Stock Shares	Amount	Preferred Stock Shares	Amount	Additional Paid-in Capital	Common Stock Subscribed Not Issued	Accumulated Deficit	Total
SEPTEMBER 30, 2006	671,862,000	\$ 671,862	-	\$ -	\$ 818,064	-	\$ (3,275,669)	# \$ (1,785,743)
Common stock issued for cash	71,175,556	71,176	-	-	527,255	-	-	598,431
Common stock cancelled officer repayment of debt	(13,970,930)	(13,971)	-	-	-	-	-	(13,971)
Common stock issued for services @ .001	3,000,000	3,000	-	-	-	-	-	3,000
Common stock issued for conversion of debt	2,461,324	2,461	-	-	39,002	-	-	41,463
Common stock issued for services @ .0167	1,200,000	1,200	-	-	18,800	-	-	20,000
Common stock issued for board compensations @ .01	1,000,000	1,000	-	-	9,000	-	-	10,000
Common stock issued for services @ .01	76,250,000	76,250	-	-	686,513	-	-	762,763
Common stock issued for conversion of debt	59,145,929	59,146	-	-	1,091,499	-	-	1,150,645
Common stock issued for 5% stock dividend	41,104,581	41,105	-	-	411,046	-	-	452,150
Early extinguishment of debt - affiliate			999	1	191,505	-	-	191,505
Preferred stock issued for board compensations								9
Common stock subscribed not issued 57,500,000						57,500		57,500
Common stock subscribed not issued board compensations 1,000,000						5,000		5,000
Warrants issued 165,000,000 @ \$.01 January 31, 2008					1,401,809			1,401,809
Beneficial conversion feature					55,000			55,000
Net loss							(3,119,439)	(3,119,439)
SEPTEMBER 30, 2007	913,228,460	\$ 913,228	999	\$ 1	\$ 5,249,501	\$ 62,500	\$ (6,395,108)	\$ (169,878)
Amendment of articles of incorporation change in par value to \$.0001		(821,905)			821,905			-
Common stock issued for cash and consulting	13,350,400	1,335			113,118			114,453

**IMPACT FUSION INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENT OF STOCKHOLDER' EQUITY**  
**FOR THE SIX MONTHS ENDED MARCH 31, 2009 AND 2008 - Unaudited**

	Common Stock Shares	Common Stock Amount	Preferred Stock Shares	Preferred A Amount	Additional Paid-in Capital	Common Stock Subscribed Not Issued	Accumulated Deficit	Total
Common stock issued for the exercise of warrants @ \$.0015	120,954,546	12,095	-	-	86,336	-	-	98,431
Common stock issued for services @ \$.01	7,000,000	700	-	-	20,300	-	-	21,000
Common stock issued for services @ \$.0034	20,000,000	2,000	-	-	58,000	-	-	60,000
Common stock issued for subscribed stock	58,500,000	5,850	-	-	56,650	(62,500)	-	-
Common stock issued in share exchange @ \$.0030	250,000,000	25,000	-	-	725,000	-	-	750,000
Adjustment to reconcile new subsidiary - Myotrend	-	-	-	-	-	-	(791,335)	(791,335)
Common stock subscribed not issued exercise of warrants 44,045,454	-	-	-	-	-	66,068	-	66,068
Early extinguishment of debt - affiliate	-	-	-	-	29,500	-	-	29,500
Net loss	-	-	-	-	-	-	(522,986)	(522,986)
SEPTEMBER 30, 2008	1,383,033,406	\$ 138,304	999	\$ 1	\$ 7,160,310	\$ 66,068	\$ (7,709,429)	\$ (344,746)
Common stock issued for subscribed stock	44,045,454	4,405	-	-	61,663	(66,068)	-	(0)
Net loss	-	-	-	-	-	-	(164,410)	(164,410)
MARCH 31, 2009	1,427,078,860	\$ 142,709	999	\$ 1	\$ 7,221,973	\$ -	\$ (7,873,839)	\$ (509,157)

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

**IMPACT FUSION INTERNATIONAL, INC.**  
**F/K/A RED REEF LABORATORIES INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR SIX MONTHS ENDED MARCH 31, 2009 AND 2008 - Unaudited**

	Six Months	
	2009	2008
Net loss	\$ (164,410)	\$ (236,488)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,958	6,958
Common stock issued for services	-	95,452
Changes in operating assets and liabilities:		
Prepaid expenses	-	(15,930)
Accounts payables	38,751	34,651
Accrued liabilities	54,625	
Net cash used in operating activities	<u>(64,076)</u>	<u>(115,357)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from the issuances of common stock	-	40,000
Proceeds from affiliated note payable	-	56,571
Net cash provided by financing activities	<u>-</u>	<u>96,571</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(64,076)</b>	<b>(18,786)</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>70,469</b>	<b>36,520</b>
<b>CASH, END OF PERIOD</b>	<b><u>\$ 6,393</u></b>	<b><u>\$ 17,734</u></b>
 <b>Supplemental disclosure of operating activities</b>		
Taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ 27,373</u>	<u>\$ 21,218</u>

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

**IMPACT FUSION INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2009 AND 2008**

**NOTE 1 – BACKGROUND**

Impact Fusion International, Inc. (“The Company”) was incorporated in the state of Florida on October 1, 2002. The Company was originally incorporated in October 1, 2002 as GSC Global Inc. and on January 10, 2005 the Company amended its articles and changed its name to Red Reef Laboratories International, Inc. On April 9, 2009 the Company amended its Articles of Incorporation and changed its name to Impact Fusion International, Inc.

The company has four wholly owned subsidiaries Red Reef Energy Resources LLC f/k/a RR Louisiana Properties LLC is a Limited Liability Corporation incorporated in the state of Louisiana on February 14, 2007. This LLC was incorporated for the purpose of providing energy resources and has marketing contracts with wind energy and solar energy along with BioClear which is a mold remediation product for residential, commercial and industrial application. This subsidiary also owns a property in Louisiana that is intended to be an energy park. For the six months ended March 31, 2009 and 2008 this subsidiary was a holding company for Louisiana property.

Versace Direct, LLC is a Limited Liability Corporation incorporated in the state of Florida on August 26, 2008. Versace was formed to become a wholesale distributor that will sell wholesale products that are developed and manufactured by the parent company that will be used in the cosmetic or micro market sector of Health and Wellness. For the six months ended March 31, 2009 and 2008 this subsidiary was inactive.

Myotrend Nutritional Technologies, LLC is a Limited Liability Company incorporated in the state of Pennsylvania on April 18, 2005. Myotrend has developed a product line addressing sports nutrition for Body Building. Intact Nutrition is expanding this line of products to include Intact Sports Nutrition that produces products for the sports industry not just body building. Myotrend was purchased on September 29, 2008 through a share exchange and now is a wholly owned subsidiary.

Impact Fusion International, Inc. was incorporated in the state of Nevada on February 13, 2009. Impact Fusion – Nevada was the original company which holds the Company’s patents and was the entity purchased by the Company which is now a subsidiary of Impact Fusion International. For the six months ended March 31, 2009 was not a subsidiary of the Company.

Impact Fusion International, Inc is in the business of marketing products in the “Health and Wellness” sector of all international markets. It is the company's mission to invent, develop and market these proprietary products worldwide for the health and well being of Humans and Animals to aid in digestive health, liver, kidneys, blood cells, maintains healthy blood pressure and blood sugar levels, reduces the side effects for chemo patients. Management will target a list of products that will be developed into revenue producing, profitable brand

sectors utilizing investment capital and other resources including management, patent development and strategic planning for the benefit of these individual brands. Impact Fusion International, Inc. owns patent technologies that are the core ingredients in all of our products. The patent pending was established in 2005 after many years of research and development. What we have discovered was that by adding Mastic Gum to ionic minerals it will allow the Mastic gum to be delivered into the blood system due to the positive and negative charge of the ionic minerals and this creates a host of benefits to the body. The company purchased Myotrend on September 29, 2008. Impact Fusion International, Inc. now trades under the symbol IFUS.PK on the pink sheets market.

#### NOTE 2 – BASIS OF PRESENTATION

The accompanying financial statements represent the consolidated financial position and results of operations of the Company and include the accounts and results of operations of the Company and its wholly owned subsidiaries. The accompanying consolidated financial statements include the active entity of Impact Fusion International, Inc. and its wholly owned subsidiaries Red Reef Energy Resources LLC f/k/a RR Louisiana Properties LLC, Versace Direct, LLC, Myotrend Nutritional Technologies LLC, and Impact Fusion International, Inc. – Nevada.

#### NOTE 3 - GOING CONCERN

As indicated in the accompanying financial statements, the Company has incurred cumulative net operating losses of \$7,873,839 from inception until the new acquisition. We place no assurance on the on going operations of our new subsidiaries. So far, most of the working capital has been provided by the Company's management team members. These matters raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

#### NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are as follows:

##### 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 and disclosure of contingent assets and liabilities at the date of the financial statements. These estimates and assumptions also affect the reported amounts of revenues, costs and expenses during the

reporting period. Management evaluates these estimates and assumptions on a regular basis. Actual results could differ from those estimates.

These estimates and assumptions also affect the reported amounts of revenues, costs and expenses during the reporting period. Management evaluates these estimates and assumptions on a regular basis. Actual results could differ from those estimates.

#### Revenue Recognition

Revenue includes product sales. The Company recognizes revenue from product sales in accordance with Staff Accounting Bulletin (SAB) No. 104, "Revenue Recognition in Financial Statement" which is at the time customers are invoiced at shipping point, provided title and risk of loss has passed to the customer, evidence of an arrangement exists, fees are contractually fixed or determinable, collection is reasonably assured through historical collection results and regular credit evaluations, and there are no uncertainties regarding customer acceptance.

#### Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. At March 31, 2009, cash and cash equivalents include cash on hand and cash in the bank.

#### Property and Equipment

Property and equipment is recorded at cost and depreciated over the estimated useful lives of the assets using principally the straight-line method. When items are retired or otherwise disposed of, income is charged or credited for the difference between net book value and proceeds realized. Ordinary maintenance and repairs are charged to expense as incurred, and replacements and betterments are capitalized.

The range of estimated useful lives used to calculate depreciation for principal items of property and equipment are as follow:

<u>Asset Category</u>	<u>Depreciation/ Amortization Period</u>
Furniture and Fixture	3 Years
Office equipment	3 Years
Leasehold improvements	5 Years
Building	39 Years

#### Impairment of Long-Lived Assets

In accordance with SFAS No. 144, long-lived assets, such as property, plant, and equipment, and purchased intangibles, are reviewed for impairment whenever events or changes in

circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill and other intangible assets are tested for impairment. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. There were events or changes in circumstances that necessitated an impairment of long lived assets. For the six months ended March 31, 2009 the Company had no impairments.

### Income Taxes

Deferred income taxes are provided based on the provisions of SFAS No. 109, "Accounting for Income Taxes" ("SFAS No. 109"), to reflect the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company does not expect to realize the deferred tax asset for several years.

### Concentration of Credit Risk

The Company maintains its operating cash balances in banks in Deerfield Beach, Florida. The Federal Depository Insurance Corporation (FDIC) insures accounts at each institution up to \$250,000.

Licensing Agreement The Company entered into a definitive binding agreement in September 30, 2007 with Benchmark China Ltd, for exclusive manufacturing and distribution rights to the Company's Proprietary Surface Decontaminant product, BioClear™ FF, including the use of the name, BioClear™ FF. The agreement is for ten years and automatically renewable unless notice in writing of intent to terminate is presented ninety days prior to expiration date. The agreement also required an initial non-refundable fee for the exclusive rights to market and distribute BioClear™ FF for \$300,000 (Three Hundred Thousand Dollars). The Company will receive 50% of fees paid for all assignments of rights to third parties and 10% of gross sales from all sources, regardless of price, payable quarterly, the Company has no further duties or continuing responsibilities under the agreement.

Major Customer For the year ended September 30, 2007, total revenues from the Company's largest customer approximated \$440,000, 98% of the total revenues for the period, \$140,000 was a one-time fee for a licensing agreement, the remaining \$300,000 was from the initial non-refundable fee. The \$140,000 one-time fee for a licensing agreement was for the right of first refusal to market and distribute all other BioClear products. Revenue on this one-time licensing fee was recognized as earned when all contract terms were completed and it is non-recurring.

### Share-Based Compensation

The Company applies SFAS No. 123 “Share-Based Payments” (“SFAS No. 123(R)”) to share-based compensation, which requires the measurement of the cost of services received in exchange for an award of an equity instrument based on the grant-date fair value of the award. Compensation cost is recognized when the event occurs. The Black-Scholes option-pricing model is used to estimate the fair value of options granted.

### Basic and Diluted Net Loss Per Share

Net loss per share was computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Diluted net loss per share for the Company is the same as basic net loss per share, as the inclusion of common stock equivalents would be antidilutive.

At May 11, 2007 the common stock equivalents consisted of 165,000,000 warrants exercisable at prices ranging from \$.007 - \$.009 per share and no common stock options. During the year ended September 30, 2008 the warrants were exercised for \$83,000.

### Fair Value of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced sale or liquidation.

The carrying amounts of the Company’s financial instruments, including cash, accounts payable and accrued liabilities, income tax payable and related party payable approximate fair value due to their most maturities.

### Reclassification

Certain prior period amounts have been reclassified to conform to current year presentations.

### Recent Accounting Pronouncements

Recent accounting pronouncements that the Company has adopted or that will be required to adopt in the future are summarized below.

#### *Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*

In June 2009, the Financial Accounting Standards Board issued Statement “FASB” issued Statement No. 168, “The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles” (“SFAS No. 168”). SFAS No. 168 will become the single source of authoritative nongovernmental U.S. generally accepted accounting principles (“GAAP”), superseding existing FASB, American Institute of Certified Public Accountants (“AICPA”), Emerging Issues Task Force (“EITF”), and related

accounting literature. SFAS No. 168 reorganizes the thousands of GAAP pronouncements into roughly 90 accounting topics and displays them using a consistent structure. Also included is relevant Securities and Exchange Commission guidance organized using the same topical structure in separate sections. SFAS No. 168 will be effective for financial statements issued for reporting periods that end after September 15, 2009. This statement will have an impact on the Company's financial statements since all future references to authoritative accounting literature will be references in accordance with SFAS No. 168.

### *Subsequent Events*

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events". ("SFAS No. 165") This Statement establishes general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date and is effective for interim and annual periods ending after June 15, 2009. We are currently assessing the impact of the adoption of SFAS 165, if any, on our financial position, results of operations or cash flows.

### *Interim Disclosure about Fair Value of Financial Instruments*

In April 2009, the FASB issued FASB Staff Position "FSP" No. SFAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments". This FSP amends SFAS No. 107 to require disclosures about fair values of financial instruments for interim reporting periods as well as in annual financial statements. The FSP also amends Accounting Principles Board Opinions "APB Opinion" No. 28 to require those disclosures in summarized financial information at interim reporting periods. This FSP becomes effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The adoption of this FSP is not expected to have a material impact on our consolidated financial statements.

### *Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active*

In October 2008, the FASB issued FSP FAS No. 157-3, "Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active." This FSP clarifies the application of SFAS No. 157, "Fair Value Measurements," in a market that is not active. The FSP also provides examples for determining the fair value of a financial asset when the market for that financial asset is not active. FSP FAS No. 157-3 was effective upon issuance, including prior periods for which financial statements have not been issued. The impact of adoption was not material to the Company's consolidated financial condition or results of operations.

### *The Hierarchy of Generally Accepted Accounting Principles*

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles." SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements. SFAS No. 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles". The implementation of this standard will not have a material impact on the Company's consolidated financial position and results of operations.

### *Determination of the Useful Life of Intangible Assets*

In April 2008, the FASB issued FSP FAS No. 142-3, "Determination of the Useful Life of Intangible Assets", which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of intangible assets under SFAS No. 142 "Goodwill and Other Intangible Assets". The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of the expected cash flows used to measure the fair value of the asset under SFAS No. 141 (revised 2007) "Business Combinations" and other U.S. generally accepted accounting principles. The Company is currently evaluating the potential impact of FSP FAS No. 142-3 on its consolidated financial statements.

### *Disclosure about Derivative Instruments and Hedging Activities*

In March 2008, the FASB issued SFAS No. 161, "Disclosure about Derivative Instruments and Hedging Activities, an amendment of SFAS No. 133." This statement requires that objectives for using derivative instruments be disclosed in terms of underlying risk and accounting designation. The Company was required to adopt SFAS No. 161 on January 1, 2009. The adoption of SFAS No.161 on January 1, 2009 did not have a material effect on the Company's consolidated financial statements

### *Fair Value Option for Financial Assets and Financial Liabilities*

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of SFAS No. 115," which becomes effective on February 1, 2008, permits companies to choose to measure many financial instruments and certain other items at fair value and report unrealized gains and losses in earnings. Such accounting is optional and is generally to be applied instrument by instrument. The election of this fair-value option did not have a material effect on its consolidated financial condition, results of operations, cash flows or disclosures.

### *Fair Value Measurements*

In September 2006, the FASB No. 157, "Fair Value Measurements" ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value investments. SFAS No. 157 was effective for financial assets and liabilities on January 1, 2008. The statement deferred the implementation of the provisions of SFAS No. 157 relating to certain non-financial assets and liabilities until January 1, 2009. The adoption of SFAS No.157 on January 1, 2009 for financial assets and liabilities did not have a material effect on the Company's consolidated financial statements.

*Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly*

In April 2009, the FASB issued FSP FAS No. 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly". This FSP provides additional guidance for estimating fair value in accordance with FASB Statement No. 157, Fair Value Measurements, when the volume and level of activity for the asset or liability have significantly decreased. This FSP also includes guidance on identifying circumstances that indicate a transaction is not orderly. FSP FAS No. 157-4 is effective for interim and annual reporting periods ending after June 15, 2009, and shall be applied prospectively. The Company is currently assessing the impact of FSP FAS No. 157-4 on its financial position and results of operations.

*Recognition and Presentation of Other-Than-Temporary Impairments*

In April 2009, the FASB issued FSP FAS No. 115-2 and FAS No. 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments ". The objective of an other-than-temporary impairment analysis under existing U.S. generally accepted accounting principles (GAAP) is to determine whether the holder of an investment in a debt or equity security for which changes in fair value are not regularly recognized in earnings (such as securities classified as held-to-maturity or available-for-sale) should recognize a loss in earnings when the investment is impaired. An investment is impaired if the fair value of the investment is less than its amortized cost basis. FSP FAS No. 115-2 and FAS No. 124-2 is effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. Earlier adoption for periods ending before March 15, 2009, is not permitted. The Company is currently assessing the impact of FSP FAS No. 115-2 and FAS No. 124-2 on its financial position and results of operations.

*Interim Disclosures about Fair Value of Financial Instruments*

In April 2009, the FASB issued FSP FAS No. 107-1 and APB No. 28-1, "Interim Disclosures about Fair Value of Financial Instruments". This FSP amends SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*, to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. This FSP also amends APB Opinion No. 28, *Interim*

*Financial Reporting*, to require those disclosures in summarized financial information at interim reporting periods. FSP FAS No. 107-1 is effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The Company is currently assessing the impact of FSP FAS No. 107-1 on its financial position and results of operations

*Amendments to the Impairment Guidance of EITF Issue No. 99-20*

In January 2009, the FASB issued FSP Emerging Issues Task Force ("EITF") Issue No. 99-20-1, "Amendments to the Impairment Guidance of EITF Issue No. 99-20". This FSP amends the impairment guidance in EITF Issue No. 99-20, "Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets," to achieve more consistent determination of whether an other-than-temporary impairment has occurred. The FSP also retains and emphasizes the objective of another than-temporary impairment assessment and the related disclosure requirements in FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities*, and other related guidance. This Issue is effective for interim and annual reporting periods ending after December 15, 2008, and shall be applied prospectively. Retrospective application to a prior interim or annual reporting period is not permitted. The adoption of FSP EITF 99-20-1 did not have a material effect on the Company's consolidated financial statements

*Accounting for Own-Share Lending Arrangements in Contemplation of Convertible Debt Issuance or Other Financing*

In June 2009, the FASB issued FSP Emerging Issues Task Force ("EITF") Issue No. 09-1, "Accounting for Own-Share Lending Arrangements in Contemplation of Convertible Debt Issuance or Other Financing". This Issue is effective for fiscal years beginning on or after December 15, 2009, and interim periods within those fiscal years for arrangements outstanding as of the beginning of those fiscal years. Share lending arrangements that have been terminated as a result of counterparty default prior to the effective date of this Issue but for which the entity has not reached a final settlement as of the effective date are within the scope of this Issue. This Issue requires retrospective application for all arrangements outstanding as of the beginning of fiscal years beginning on or after December 15, 2009. This Issue is effective for arrangements entered into on or after the beginning of the first reporting period that begins on or after June 15, 2009. Early adoption is not permitted. The Company is currently assessing the impact of FSP EITF 09-1 on its financial position and results of operations.

NOTE 5 - PROPERTY AND EQUIPMENT

The Company has fixed assets as of March 31, 2009 and September 30, 2008 as follows:

	March 31,	September 30,
	2009	2008
Building and equipment	\$ 185,366	\$ 185,366

Accumulated depreciation		<u>(34,790)</u>	<u>(27,832)</u>
Subtotal	\$	<u>157,534</u>	\$ <u>167,971</u>
Land		<u>219,502</u>	<u>219,502</u>
Total Property and equipment		<u>370,078</u>	<u>377,036</u>

Depreciation Expense is \$6,958 for the six months ended March 31, 2009 and 2008.

**NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities as of the following:

		March 31,	September 30,
		2008	2008
Trade accounts payable	\$	184,406	\$ 145,655
Accrued Interest		87,326	59,589
Accrued expenses		16,137	12,803
Accrued payroll and taxes		40,018	39,296
Line of Credit		22,832	-
Total accounts payable and liabilities	\$	350,719	\$ 257,343

**NOTE 7 – ACQUISITION**

**Red Reef Energy Resources LLC f/k/a RR Louisiana Properties LLC**

In November 2006, the Company acquired the assets and assumed the liabilities of Altfuels Corporation and its related organization L-1011, which included 80 acres in Napoleonville, Louisiana. The Company made this acquisition primarily to acquire the 80-acre site in Napoleonville as a launching site for its regional remediation business and for possible resale. However, the Company subsequently decided to develop the property as a medical research facility. The Company feels Louisiana and Mississippi present challenges in restoration and remediation, since Katrina and Rita, that they are able to address competitively, affording an opportunity for immediate recognition and growth. It is the Company's intention to create a mobile, one-stop emergency restoration and remediation company, able to offer superior service in all areas of restoration for the region, including neighboring states.

The aggregate purchase was \$400,195, the amount of the assumed liabilities of the L-1011 Corporation, which were in default at the time of the acquisition, for which judgments exist.

The value was determined by appraisal and written down to the amount of liabilities assumed. The Company is currently attempting to refinance the debt and remove the judgments. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition:

Property, plant and equipment	<u>\$400,195</u>
<b>Total assets acquired</b>	<u><b>400,195</b></u>

Judgments payable	400,195
Total liabilities assumed	400,195
<b>Net assets acquired</b>	<b>\$ -</b>

The judgments, which are secured by the acquired land, buildings and machinery, consist of the following:

Iberville Bank	\$236,046
Community Bank	124,086
Capital Bank	29,000
S/Savoie Inc.	10,000
Property tax due	1,063
<b>Total judgments payable</b>	<b>\$400,195</b>

The Company refinanced these judgments with South Richmond Realty Co. on September 12, 2007 and there was an outstanding balance of \$300,000 as of September 30, 2007. Iberville Bank reduced the remaining balance by \$31,960.61 with the remaining balance of \$125,000 which was paid off as of September 30, 2007.

#### **Myotrend Nutritional Technologies, Inc.**

On September 29, 2008 the Company entered into a Stock Purchase Agreement and Share Exchange with Myotrend Nutritional Technologies, Inc.

This Agreement provides for the acquisition of MYOTREND, whereby MYOTREND shall become a wholly owned subsidiary of the Company and in connection therewith, the issuance of a total of 250,000,000 shares of the Company to the MYOTREND Members, in accordance with the percentages reflected. .

The Members of MYOTREND and Board of Directors of RED REEF have determined, subject to the terms and conditions set forth in this Agreement, that the transaction contemplated hereby is desirable and in the best interests of their Members and stockholders, respectively. This Agreement is being entered into for the purpose of setting forth the terms and conditions of the proposed acquisition.

On the Closing Date, the Members of MYOTREND shall deliver to the Company (i) certificates or other documents evidencing all of the issued and outstanding MYOTREND Units. On the Closing Date, all previously issued and outstanding MYOTREND Units shall be transferred to the Company, so that MYOTREND shall become a wholly owned subsidiary of the Company.

In exchange for all of the MYOTREND Units tendered the Company shall issue to the MYOTREND Members a total of 250,000,000 shares of the Company common stock in the manner set forth in "Schedule B5. Such shares are restricted in accordance with Rule 144 of the 1933 Securities Act. The Company agrees that the Company's Common Stock is

guaranteed to have a total liquidation value (by dilution) of at least \$1,500,000 for a period of twelve (12) month for all of the Shares, except as otherwise provided in Section 4.4. The shares are to be issued as follows: (i) 125,000,000 shares shall be delivered directly to the Members at Closing; and (ii) 125,000,000 shares shall be issued in the Members names, and delivered to the Company's who shall hold those shares in accordance with the terms of an Escrow Agreement, to be executed by the Parties. The delivery of the stock out of Escrow shall be determined solely by the terms of the Escrow Agreement, which shall provide in substantive part, that the shares are to be paid to the Members in the event that the Escrow Agent received notification from the Company that receipt of written notification from the Company, that (a) nine (9) months have passed from the date hereof and (b) Myotrend not lost GNC as a client and has no notification that such a loss is eminent.

\$500,000 shall be payable to the Members, pursuant to the terms of a Promissory Note, in form and substance of Schedule B7, which Note shall provide in part that the full amount to be paid shall be limited to \$500,000 (calculated to be inclusive of interest at 5 ½%) and which shall be due and payable in full on or before six (6) months following the closing of the acquisition. The Note shall provide for monthly payments of \$100,000 per month, commencing on November 1, 2008 and continuing on the same day of each month thereafter, and which Note will be due and payable in full on or before six (6) months following the closing of the acquisition (the "Maturity Date"). The Note shall also provide that interest shall accrue on the unpaid Principal Balance at the rate of 5 ½% per annum, and increasing to 10% per annum if not paid by the Maturity Date. The Note shall also provide that in the event that a minimum of \$250,000 is not paid towards the Note on or before the Maturity Date, MYOTREND shall have the right to spin off from Red Reef, upon the following terms: MYOTREND shall notify Red Reef's Board of Directors whether it will exercise this right within twenty (20) days of the Maturity Date (or any extended date). In the event that the balance of the Note is not paid in full on or before 1 year from the date hereof, MYOTREND shall have the right to spin off upon twenty (20) days written notice to Maker. Any decision to spin off by MYOTREND shall require MYOTREND and its Members to return all of the Shares to the Company with all funds paid to date being retained by MYOTREND and its Members. In the event that MYOTREND desires to spin off on the basis of a Note default, written notice from David Mehalick, on behalf of all MYOTREND members shall be delivered to Red Reef's Board of Directors, together with delivery of all of the Shares. The balance of the Note and all other obligations arising hereunder shall terminate at that time.

In the 120 days post Closing, the Company will provide working capital, in the form of a 12 month loan, to MYOTREND, of between One Hundred to One Hundred Fifty Thousand Dollars (\$100,000 to \$150,000). At least Fifty Thousand Dollars (\$50,000) of which will be funded at the Closing. These funds are to be primarily used towards the purchase of inventory.

On the Closing Date, all of the Members of MYOTREND shall resign all of the positions that they currently hold, whether officer, director, manager, etc. and the Company shall thereafter appoint all Members of the Committee to manage the affairs of MYOTREND.

## **Myotrend Nutritional Technologies, Inc. – subsequent modification and superseded agreement**

In May 27, 2009 the Company issued 1,200,000 common shares in a separate agreement that supersedes the above agreement. The shares were issued for the modification of the original agreement noted below:

In consideration of this Agreement and in full and final settlement of any Claims which were or could have been made by any of the Parties to this Agreement. The Parties agree as follows:

A. the Company will issue a total of One Million Two Hundred Thousand (1,200,000) shares of the Company restricted stock (the "Stock") in a manner set forth in "Schedule A". The Stock will be restricted for one year with no guarantees of value or percentage of ownership. The Stock will be in replacement of the \$500,000 Promissory Note, dated September 26, 2008 executed by and between the Company, Myotrend and the Shareholders plus interest (the "Note"). The Stock will be issued effective as of September 26, 2008 in accordance with the Note and September 26, 2009 will be the aging date of the Stock in accordance with the Security and Exchange Commission Rule 144. The Stock shall not include any shares of Red Reef owned by or issued to Burton (the "Burton shares"). The Burton shares are being held abeyance pending current and future litigation between the Parties and Burton.

B. The Company agrees to pay the Shareholders three years commission on the gross sales of Myotrend products with declining percentage of four (4) percent, three (3) percent and two (2) percent respectively (the "Commission"). The first Commission is to be calculated on November 15, 2009, which is six (6) months after the date of this Agreement and is to be paid by the fifteenth (15) of the following month. The Commission will be paid quarterly thereafter.

C. the Company will reformulate the Myotrend product line immediately with the patented Nutri-Mastic<sup>™</sup> minerals.

D. the Company agrees that the Shareholders can convert the Commission to the Company stock at a fifteen (15) percent discount to market on a ten (10) day average (the "Discounted Stock"). The Discounted Stock will be eligible on a quarterly basis, based on the Company's fiscal year, and all the Shareholders must elect to convert the Commission to Discounted Stock as a whole but not in part.

E. the Shareholders will retain their current issued and escrowed shares of the Company stock pursuant to the Stock Purchase Agreement, dated September 26, 2008 by and between the Company, Myotrend and the Shareholders prior reverse split and the balance of the shares in escrow will be released. Shares will be released from escrow within one week of the execution of this Agreement. The shares have a legend date of September 26, 2008 and will follow the Security and Exchange Commission Rule 144 of becoming free trading. The Burton shares will not be released pending current and future litigation by and between the Parties and Burton.

F. the Company acknowledges and agrees to assume those certain promissory notes executed by MNT and made payable to the Shareholders. Those certain promissory notes are not and will not be release nor forgiven and will be paid by the Company within one year from the date of execution of trust Agreement.

G. Myotrend agrees to dissolve Myotrend Distributors, LLC, a Pennsylvania limited liability company within ten (10) days of the date of this Agreement.

This agreement supersedes and modifies the prior agreement.

The Company consolidated the assets and liabilities of Myotrend its wholly owned subsidiary as follows:

	<u>September 30, 2008</u>
Cash	\$ 53,643
Accounts payable and accrued expenses	(44,978)
Common stock share exchange	(800,000)
Accumulated deficit	<u>\$ 791,335</u>

#### NOTE 8 – NOTE PAYABLES

Notes payable consist of the following as of March 31, 2009 and September 30, 2008:

	<u>March 31</u>	<u>September 30</u>
Secured promissory note dated September 12, 2007 at an interest rate of 10.00% per annum until September 12, 2008. There is no required Principal and interest due in monthly basis. On September 12, 2008 any unpaid balance will continue to accrue at 12% per annum. This note is presently in default. This is a related party note.	\$ 300,000	\$ 300,000
Promissory note dated June 10, 2006 which accrues interest on June 30, 2007 the due date of this note at an interest rate of 8.00% per annum. No principal and interest are due on a monthly basis. The note is presently in default	35,000	35,000
Convertible promissory note dated August 20, 2007 at an interest rate of 8.00% per annum until August 20, 2008. There is no principal and interest due on a monthly basis. This note is presently in default and accrues at a 10% interest rate. This note will convert at the	50,000	50,000

option of the holder into 333,333 common shares of the Company. This is a related party note.			
Convertible promissory note dated September 13, 2007 at an interest rate of 8.00% per annum until September 13, 2008. There is no principal and interest due on a monthly basis. This note is presently in default and accrues at a 10% interest rate. This note will convert at the option of the holder into 33,333 common shares of the Company. This note is presently in default and accrues at a default rate of 10.00% per annum. This is a related party note.		5,000	5,000
Convertible promissory note dated June 20, 2007 at an interest rate of 8.00% per annum until June 20, 2010. There is no principal and interest due on a monthly basis. This is a related party note.		61,000	60,000
Promissory note dated December 21, 2007 at an interest rate of 8.00% per annum until January 31, 2009. There is no principal and interest due on a monthly basis. This is a related party note and is delinquent as of September 30, 2008 and accrues at the delinquent interest of 10.00%.		25,000	25,000
Promissory note dated May 19, 2008 at an interest rate of 8.00% per annum. This is a Demand Note and at the discretion of the maker. This is a related party note.		25,171	25,171
Advances from Shareholder A. Guglieri accrued at an interest rate of 8.00% per annum. There is no principal and interest due on a monthly basis. This is a related party note.		33,737	33,737
Total of Notes Payable		534,908	534,908
Less Current Portion		(473,908)	(473,908)
Long-Term Portion	\$	61,000	\$ 61,000

Annual maturities of notes payables are as follows for the six months ended March 31, 2009:

2008	\$ 473,908
2010	<u>61,000</u>
	<u>\$ 534,908</u>

#### NOTE 9 - STOCKHOLDERS' EQUITY

The Company has authorized 3,000,000,000 shares of \$.001 par value of common stock and on May 23, 2008 the Company amended its articles of incorporation to change the par value to \$.0001 per share. The financial statements reflect the change in par value for the six months ended March 31, 2009 and year ended September 30, 2008.

At year ended March 31, 2009, the Company had issued and outstanding of 1,427,078,860.

On December 1, 2006, the Company resolved to increase the number of issued and outstanding shares of common stock by way of a forward stock split (the Stock Split) in the amount of 1 share for 6 shares. All common stock amounts in this report have been restated to account for the stock split and retroactive effect has been given to financial statements to the stock split. All common stock amounts in this report have been restated to account for the stock split and retroactive effect has been given to financial statements to the stock split.

Effective May 17, 2007, the Company closed the initial phase on its financing. The Company issued 165,000,000 in warrants related to this initial phase financing which was converted on August 8, 2008 for \$83,000.

The fair value of each warrant grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions for year ended September 30, 2007:

<b>Date issued</b>	<b>Warrants Issued</b>	<b>Stricke Price</b>	<b>Date Expired</b>
May 17, 2007	80,000,000	0.00025	August 8, 2013
May 17, 2007	25,000,000	0.00060	August 8, 2013
May 17, 2007	20,000,000	0.00070	August 8, 2013
May 17, 2007	20,000,000	0.00080	August 8, 2013
May 17, 2007	<u>20,000,000</u>	0.00090	August 8, 2013
Total Warrants Issued	165,000,000		
Dividend yield			None
Volatility			0.491
Risk free interest rate			4.18%
Expected asset life			6 years

The Company valued the warrants using Black-Scholes option-pricing model. The

assumptions under Black Scholes are based on the market value of the stock price at the time of issuance, the exercise price of the warrants, life, volatility, risk free interest rate of the warrants. The Black Scholes option-price model was the best determinable value of the warrants that the Company “knew up front” when issuing the warrants in accordance with EITF 96-18. The warrants had no vesting schedule and could be exercised at the option of the parties receiving the warrants until either terminated by contract or expiration. No discounts were applied to the calculation through the Black Scholes option-price model.”

### **Common Stock**

<b>Years Ended</b>	<b>Stock issued for Cash</b>	<b>Cash Received</b>	<b>Stock issued for services &amp; Subscribed</b>
March 31, 2008	13,350,000	\$ 40,000	65,500,000
March 31, 2009		\$ -	44,045,454

### **2008**

During the three months ended December 31, 2007, the Company issued 135,350,000 shares of its common stock for \$40,000.

During the three months ended December 31, 2007, the Company has issued shares of its common stock as consideration to consultants for the fair value of the services rendered. The value of those shares is determined based on the trading value of the stock at the dates on which the agreements were into for the services and the value of services rendered. During the three months ended December 31, 2007, the Company granted to consultants, 65,500,000 shares of common stock valued in the aggregate at \$95,452 strike price of the trading value of the common stock.

### **2009**

During the three months ended March 31, 2009, the Company issued 44,045,454 of stock that was subscribed in year ended September 30, 2008 at a value of \$66,068.

### **Preferred Stock**

The Company issued Preferred A shares of 999 at a \$.01 value at the date of issuance. The Preferred A shares were issued to affiliates for services rendered for the company. These shares are restricted, have no conversion rights to common shares, and not sold on the open markets. The Class A preferred stock has no dividend rights. The Class A preferred stock has liquidation preferences equal to the holders of common shares. In the cast that 50% or more of the voting power of the Corporation is disposed of, the Class A holders are entitled to vote as a separate group and a majority consent of the holders of the Class A shares is required. Class A shares vote as a separate group, and votes submitted to the common shareholders for approval must also be submitted to the Class A shareholders for approval,

any matter submitted to the shareholders require approval of the preferred Class A shareholders. The Class A shares are restricted, in the event a preferred shareholder does not desire to retain his shares or dies while retained ownership of his shares the remaining preferred shares holders are required to purchase the shares of the offering shareholder on a pro-rata basis.

#### NOTE 10 - INCOME TAXES

The provision (benefit) for income taxes from continued operations for the three month ended March 31, 2009 and 2008 consist of the following:

	March 31,	
	2009	2008
Current:		
Federal	\$ -	\$ -
State	-	-
	<u>-</u>	<u>-</u>
Deferred:		
Federal	\$ 50,522	\$ 75,192
State	8,648	12,871
	<u>59,170</u>	<u>88,063</u>
Valuation allowance	<u>(59,170)</u>	<u>(88,063)</u>
Provision benefit for income taxes, net	<u>\$ -</u>	<u>\$ -</u>

The difference between income tax expense computed by applying the federal statutory corporate tax rate and actual income tax expense is as follows:

	March 31,	
	2009	2008
Statutory federal income tax rate	34.0%	34.0%
State income taxes and other	5.5%	5.5%
Valuation allowance	<u>(39.5%)</u>	<u>(39.5%)</u>
Effective tax rate	<u>-</u>	<u>-</u>

Deferred income taxes result from temporary differences in the recognition of income and expenses for the financial reporting purposes and for tax purposes. The tax effect of these temporary differences representing deferred tax asset and liabilities result principally from the following:

	March 31,	
	2009	2008
Net operating loss carryforward	59,170	88,063
Valuation allowance	(59,170)	(88,063)
Deferred income tax asset	\$ -	\$ -

The Company has a net operating loss carryforward of approximately \$7,873,839 available to offset future taxable income through 2030.

#### NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Company has entered into various consulting agreements with outside consultants. However, certain of these agreements included additional compensation on the basis of performance. The consulting agreement are with key shareholders that are instrumental to the success of the company and its development of it product.

#### NOTE 12 - RELATED PARTY TRANSACTIONS

##### **Loans and Advances to Stockholders**

The Company loaned and advanced funds to three shareholders. These loans and advances are unsecured, bear interest at 8%, and are due on demand.

##### **Due to Stockholders**

Due to stockholders at March 31, 2009 and September 30, 2008, consisted of the following:

	March 31,	September 30,
	2009	2008
8% convertible notes from a minority shareholder, due on demand	116,000	116,000
Loan from shareholder, unsecured, due on demand, and accrues interest at 8%	383,908	383,908
Total due to related parties	\$ 499,908	\$ 499,908

Interest expense for the six months ended March 31, 2009 was \$27,737 and \$21,218 for 2008.

The Company has been able to finance the outstanding debt by loans from shareholders and minority shareholders.

#### NOTE 13 - NET LOSS PER SHARE

Restricted shares and warrants are included in the computation of the weighted average number of shares outstanding during the periods. The net loss per common share is calculated by dividing the consolidated loss by the weighted average number of shares outstanding during the periods.

#### NOTE 14 - SUBSEQUENT EVENTS

On March 20, 2008 the Company Amended the Articles of Incorporation to decrease the common shares from 3,000,000,000 to 1,500,000,000. Preferred shares authorized remained 10,000,000 with a Preferred Class A issued of 1000 shares.

On July 23, 2008 the Company Amended the Articles of Incorporation to \$.0001 par value from \$.001 par value for the common stock.

On August 28, 2008 the Company formed Versace Direct, LLC.

On April 9, 2009, Amended the Articles of Incorporation and changed its name to Impact Fusion International, Inc.; decreased the authorized commons shares to 1,000,000,000 and authorized a 1:2500 reverse split; and all prior management resigned. Additionally, Marc Walther and Joe Scivoletto were appointed as Directors of the Company. Marc Walther was appointed as Chief Executive Officer and Joe Scivoletto as Chief Technology Officer.

On April 10, 2009 prior management surrendered the outstanding preferred shares and were issued to Bottom Line Holdings, RMS7, Inc. and JSR Production LLC.

On April 27, 2009 the Company entered into an agreement with Premier Funding and Financial Marketing Services, LLC. This agreement is for 12 months with the intent of using their business and financial contacts for introductions to the business and investment community for possible business opportunities.

On April 27, 2009 the Company entered into an agreement with Premier Media Services, Inc. This agreement is for 6 months with the purpose of working on investor relations and public relations. Also will include consulting on all corporate awareness documents used in the public or investor arenas.

On May 18, 2009 the Company renegotiated their agreement with Myotrend Members where as the prior note was cancelled, 1,200,000 shares were issued in consideration of the cancellation of the agreement, the company established a three year declining commission based program for Myotrend sales, and the shares held in escrow will not be affected from the previous agreement.

On May 22, 2009 the Company entered into an agreement with Riverstar, LLC for Chief of Staff services which includes all aspects of the financial consulting services and operation consulting services.

On May 26, 2009 the Company entered into financial agreement with E-Lionhart.

On June 26, 2009 the Company changed its transfer agent from PacWest to Pacific Stock Transfer.

On June 30, 2009 the Company entered into a financial agreement with Slow Train Holdings LLC.

For the period ended June 30, 2009 the Company issued 131,102,054 common shares for conversion of warrants and issues of shares to consulting. The Company did not issue stock for cash during this period ended. 128,500,000 were issued in a share exchange, 1,200,000 were issued to Myotrend of modification of acquisition agreement, and 1,402,054 were issued to consultant.

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