LIVESTAR ENTERTAINMENT GROUP INC
Form 10QSB
August 19, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10QSB

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2003

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File No. 000-27233

LIVESTAR ENTERTAINMENT GROUP, INC.
(Exact name of Registrant as specified in its charter)

NEVADA	98-0204736
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
62 W. 8th Avenue, 4th Floor Vancouver, British Columbia, Canada	V5Y 1M7
(Address of principal executive offices)	(Zip Code)

Issuers telephone number, including area code: (604) 682-6541

Check whether the issuer
(1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and

(2) has been subject to such filing requirements for the past 90 days.
Yes (X) No ( ).

State the number of shares outstanding of each of the issuers classes of common equity, as of the last practicable date.

Class	Outstanding as of June 30, 2003
$0.0001 par value Common Stock	94,794,923

Transitional Small Business Disclosure Format (check one):
Yes [ ] No [X]

PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-QSB and Item 310 (b) of Regulation S-B, and, therefore, do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the six months ended June 30, 2003 are not necessarily indicative of the results that can be expected for the year ending December 31, 2003.

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LIVESTAR ENTERTAINMENT GROUP INC.
(Formerly RRUN Ventures Network Inc.)
(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2003
(Unaudited)
(Stated in U.S. Dollars)

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LIVESTAR ENTERTAINMENT GROUP INC.
(Formerly RRUN Ventures Network Inc.)
(A Development Stage Company)

CONSOLIDATED BALANCE SHEET
(Unaudited)
(Stated in U.S. Dollars)

	June 30 2003	DECEMBER 31 2002
ASSETS		
Current		
Cash	$ 64	$ 32
Goods and Services Tax recoverable	2,815	5,786
Prepaid expense	36,139	345

Notes receivable	-	13,125
	39,018	19,288
Capital Assets	7,157	8,230
	$ 46,175	$ 27,518
LIABILITIES		
Current		
Accounts payable	$ 1,559,296	$ 1,374,920
Loans and advances payable	536,071	528,581
	2,095,367	1,903,501
STOCKHOLDERS DEFICIENCY		
Share Capital		
Authorized:		
250,000,000 common shares, par value $0.0001 per share		
200,000,000 preferred shares, par value $0.0001 per share		
Issued and outstanding:		
94,794,923 common shares at June 30, 2003 and 45,654,790 common shares at December 31, 2002	9,480	4,566
Add: Share subscriptions received: Nil common shares at June 30, 2003 and 36,250 common shares at December 31, 2002	-	1,450
Additional paid-in capital	1,262,047	1,087,084
Deficit	(3,320,719)	(2,969,083)
	(2,049,192)	(1,875,983)
	$ 46,175	$ 27,518

LIVESTAR ENTERTAINMENT GROUP INC.
(Formerly RRUN Ventures Network Inc.)
(A Development Stage Company)

CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
(Unaudited)
(Stated in U.S. Dollars)

	THREE	SIX	THREE	SIX	INCEPTION

	MONTHS ENDED JUNE 30 2003	MONTHS ENDED JUNE 30 2003	MONTHS ENDED JUNE 30 2002	MONTHS ENDED JUNE 30 2002	OCTOBER 12 2000 TO JUNE 30 2003
Revenue	$ 502	$ 502	$ 5,000	$ 5,000	$ 9,502
Expenses					
Administrative Services	2,327	4,594	38	6,139	159,164
Amortization	598	1,114	2,685	5,372	16,359
Business development	128,645	149,645	168,786	359,952	867,751
Consulting	50,539	100,539	68,401	328,402	571,502
Equipment leases	-	-	7,444	14,918	35,796
Investor relations	1,546	1,841	104,178	275,952	393,240
Marketing	-	-	-	540	36,389
Media design	14	194	6,071	22,055	84,069
Office, rent and sundry	28,456	61,001	73,602	124,558	326,195
Professional fees	24,585	32,026	32,280	57,885	297,619
Software Development	-	-	33,222	72,110	855,135
Travel	688	1,184	15,589	25,239	112,891
Wages and benefits	-	-	4,513	17,857	28,281
	237,398	352,138	516,809	1,310,979	3,784,391
Loss Before The Following	236,896	351,636	511,809	1,305,979	3,774,889
Write Down Of Investment	-	-	-	-	6,750
Minority Interest In Loss Of Subsidiary	-	-	-	-	(219)
Loss From Continuing Operations	236,896	351,636	511,809	1,305,979	3,781,420
Gain On Disposal Of Subsidiary	-	-	-	-	(419,427)
Discontinued Operations	-	-	(24,541)	(49,525)	(53,629)
Net Loss For The Period	$ 236,896	$ 351,636	$ 487,268	$1,256,454	$3,308,364
Net Loss Per Share	$ 0.01	$ 0.01	$ 0.03	$ 0.08	
Weighted Average Number Of Common Shares Outstanding	79,994,738	57,640,620	17,165,054	15,979,807	

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LIVESTAR ENTERTAINMENT GROUP INC.
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(A Development Stage Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)
(Stated in U.S. Dollars)

	THREE MONTHS ENDED JUNE 30 2003	SIX MONTHS ENDED JUNE 30 2003	THREE MONTHS ENDED JUNE 30 2002	SIX MONTHS ENDED JUNE 30 2002	INCEPTION OCTOBER 12 2000 TO JUNE 30 2003
Cash Flows From Operating Activities					
Loss from continuing operations	$(236,896)	$(351,636)	$(511,809)	$(1,305,979)	$(3,781,420)
Adjustments To Reconcile Net Loss To Net Cash Used By Operating Activities					
Amortization	598	1,114	2,685	5,372	16,359
Issue of common Stock for expenses	62,400	114,900	-	60,000	408,090
Write down of Investment	-	-	-	-	6,750
Minority interest in loss of subsidiary	-	-	-	-	(219)
Goods and Services Tax recoverable	1,609	2,971	(943)	2,401	(2,815)
Accounts receivable	-	-	(25,000)	(25,000)	-
Note receivable	13,125	13,125	-	-	-
Prepaid expense	11,389	(35,794)	2,134	(11,613)	(36,139)
Accounts payable	139,563	227,726	240,776	855,336	2,174,326
Loans and advances Payable	8,152	21,031	37,558	71,472	677,052
	(60)	(6,563)	(254,599)	(348,011)	(538,016)

Cash Flows From Investing Activities					
Net asset deficiency of legal parent at date of reverse take-over transaction	-	-	-	-	(12,355)
Purchase of capital Assets	-	-	-	-	(43,493)
	-	-	-	-	(55,848)
Cash Flows From Financing Activities					
Shares issued for cash	8,045	8,045	273,750	273,750	422,757
Share subscriptions Received	(8,045)	(1,450)	(75,600)	23,400	-
	-	6,595	198,150	297,150	422,757
Increase (Decrease) In Cash	(60)	32	(56,449)	(50,861)	(171,107)
Net Cash From Discontinued Operations	-	-	24,541	49,525	53,630
Cash Acquired On Acquisition Of Subsidiary	-	-	-	-	117,541
Cash, Beginning Of Period	124	32	31,993	1,421	-
Cash, End Of Period	$ 64	$ 64	$ 85	$ 85	$ 64

LIVESTAR ENTERTAINMENT GROUP INC.
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CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)
(Unaudited)
(Stated in U.S. Dollars)

Supplemental Disclosure Of Cash Flow Information

During the period ended June 30, 2003, the Company issued 3,672,560 common shares on conversion of $13,541 of loans payable, and 14,162,573 common shares to settle $43,391 in accounts payable.

LIVESTAR ENTERTAINMENT GROUP INC.
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CONSOLIDATED STATEMENT OF STOCKHOLDERS DEFICIENCY

JUNE 30, 2003
(Unaudited)
(Stated in U.S. Dollars)

	SHARES	AMOUNT	ADDITIONAL PAID-IN CAPITAL	DEFICIT	TOTAL
Shares issued for cash and services	4,200,000	$4,200	$ -	$ -	$ 4,200
Adjustment to number of shares issued and outstanding as a result of the acquisition of RAHX, Inc.					
RAHX, Inc.	(4,200,000)	(4,200)	-	-	(4,200)
RRUN Ventures Inc.	5,708,780	5,709	(1,509)	-	4,200
Adjustment to stated value of stockholders' equity to reflect minority interest in the net assets of RAHX, Inc. at the acquisition date	-	-	(219)	-	(219)
Net asset deficiency of legal parent at date of reverse take-over transaction	-	-	-	(12,355)	(12,355)
Shares issued to acquire investment in Kaph Data Engineering Inc.	400,000	400	6,350	-	6,750
Loss for the period	-	-	-	(79,249)	(79,249)
Balance, December 31, 2000	6,108,780	6,109	4,622	(91,604)	(80,873)
Adjustment to number of shares issued and outstanding as a result of the acquisition of RRUN Ventures, Inc.					
RRUN Ventures, Inc.	(6,108,780)	(6,109)	(4,622)	-	(10,731)
RRUN Ventures Network					

Inc.	288,420	288	10,443	-	10,731
Fair value of shares issued in connection with the acquisition of RRUN Ventures, Inc.	305,439	306	28,325	-	28,631
	593,859	594	38,768	(91,604)	(52,242)
Increase in issued shares due to 20 for 1 stock split	11,283,321	594	(594)	-	-
Shares issued for debt	1,867,544	187	54,257	-	54,444
Shares issued for cash	670,000	67	13,333	-	13,400
Shares issued for Services	200,000	20	3,980	-	4,000
Loss for the year	-	-	-	(1,611,999)	(1,611,999)
Balance, December 31, 2001	14,614,724	1,462	109,744	(1,703,603)	(1,592,397)

LIVESTAR ENTERTAINMENT GROUP INC.
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(A Development Stage Company)

CONSOLIDATED STATEMENT OF STOCKHOLDERS DEFICIENCY (Continued)

JUNE 30, 2003
(Unaudited)

(Stated in U.S. Dollars)

	SHARES	AMOUNT	ADDITIONAL PAID-IN CAPITAL	DEFICIT	TOTAL
Balance, December 31, 2001	14,614,724	$1,462	$ 109,744	$(1,703,603)	$(1,592,397)
Shares issued for debt	11,163,816	1,116	268,026	-	278,142
Shares issued for services	13,845,000	1,384	283,606	-	275,990
Shares issued for cash and notes receivable	7,861,250	787	461,912	-	462,698
Shares cancelled	(1,830,000)	(183)	(61,204)	-	(61,387)
Forgiveness of shareholder debt	-	-	25,000	-	25,000
Loss for the year	-	-	-	(1,265,480)	(1,265,480)
Balance, December 31, 2002	45,654,790	4,566	1,087,084	(2,969,083)	(1,877,434)
Shares issued for debt	17,835,133	1,784	55,148	-	56,932
Shares issued for services	29,620,000	2,962	111,938	-	114,900

Shares issued for cash	1,685,000	168	7,877	-	8,045
Loss for the period	-	-	-	(351,636)	(351,636)
Balance, June 30, 2003	94,794,923	$9,480	$1,262,047	$(3,320,719)	$(2,049,193)

LIVESTAR ENTERTAINMENT GROUP INC.
(Formerly RRUN Ventures Network Inc.)
(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2003
(Unaudited)
(Stated in U.S. Dollars)

1. BASIS OF PRESENTATION

The unaudited consolidated financial statements as of June 30, 2003 included herein have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with United States of America generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. It is suggested that these consolidated financial statements be read in conjunction with the December 31, 2002 audited consolidated financial statements and notes thereto.

2. NATURE OF OPERATIONS

a) Organization

The Company was incorporated in the State of Nevada, U.S.A., on October 12, 2000. On June 23, 2003, the Company changed its name from RRUN Ventures Network Inc. to Livestar Entertainment Group Inc.

b) Development Stage Activities

The Company was organized as a holding company to develop or acquire innovative ventures with an emphasis on serving the lifestyle needs of the 18 ? 34 year Digital Generation through the production and marketing of lifestyle products and services. The Company?s initial venture is RAHX, a business concept previously focused on delivering, for its customers, a consolidated Entertainment Experience Network comprised of many services ranging from digital media peer to peer file exchange to live entertainment and online video games. At this time, the Company?s focus is the developing of a live entertainment business, specifically nightclubs and live events.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2003
(Unaudited)
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2. NATURE OF OPERATIONS (Continued)

c) Going Concern

Since inception, the Company has suffered recurring losses, net cash outflows from operations and, at June 30, 2003, has a working capital deficiency of $2,056,349. The Company expects to continue to incur substantial losses to complete the development and testing of its technology. Since its inception, the Company has funded operations through common stock issuances and related party loans in order to meet its strategic objectives. Management believes that sufficient funding will be available to meet its business objectives, including anticipated cash needs for working capital, and is currently evaluating several financing options. However, there can be no assurance that the Company will be able to obtain sufficient funds to continue the development of and, if successful, to commence the sale of its products under development. As a result of the foregoing, there exists substantial doubt about the Company?s ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for a period necessarily involves the use of estimates which have been made using careful judgement.

The consolidated financial statements have, in management?s opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Consolidation

These consolidated financial statements include the accounts of the Company, its 100% owned subsidiaries, RRUN Labs Inc. and RVNI Management Ltd., and its 67% owned subsidiary, RAHX, Inc.

LIVESTAR ENTERTAINMENT GROUP INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2003
(Unaudited)
(Stated in U.S. Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Development Stage Company

The Company is a development stage company as defined in the Statements of Financial Accounting Standards No. 7. The Company is devoting substantially all of its present efforts to establish a new business and none of its planned principal operations have commenced. All losses accumulated since inception have been considered as part of the Companys development stage activities.

c) Investments

Investments in companies owned less than 20% are recorded at the lower of cost or fair market value.

d) Software Development Costs

The costs to develop new software products and enhancements to existing software products will be expensed as incurred until technological feasibility has been established. Once technological feasibility has been established, any additional costs will be capitalized.

e) Income Taxes

The Company has adopted Statement of Financial Accounting Standards No. 109 ? ?Accounting for Income Taxes? (SFAS 109). This standard requires the use of an asset and liability approach for financial accounting and reporting on income taxes. If it is more likely than not that some portion or all if a deferred tax asset will not be realized, a valuation allowance is recognized.

f) Amortization

Capital assets are being amortized on the declining balance basis at the following rates:

Computer equipment	30%
Computer software	100%
Office furniture and equipment	20%

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2003
(Unaudited)
(Stated in U.S. Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Stock Based Compensation

The Company accounts for stock based employee compensation arrangements in accordance with the provisions of Accounting Principles Board Opinion No. 25 - Accounting for Stock Issued to Employees (APB No. 25) and complies with the disclosure provisions of Statement of Financial Accounting Standards No. 123 - Accounting for Stock Based Compensation (SFAS No. 123). Under APB No. 25, compensation expense is recognized based on the difference, if any, on the date of grant between the estimated fair value of the Companys stock and the amount an employee must pay to acquire the stock. Compensation expense is recognized immediately for past services and rateably for future services over the option vesting period.

h) Financial Instruments

The Companys financial instruments consist of cash, GST recoverable and accounts payable.

Unless otherwise noted, it is management?s opinion that this Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

i) Net Loss Per Share

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, Earnings Per Share (SFAS 128). Under SFAS 128, basic and diluted earnings per share are to be presented. Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted earnings per share takes into consideration common shares outstanding (computed under basic earnings per share) and potentially dilutive common shares.

4. SUBSEQUENT EVENT

Subsequent to June 30, 2003, the Company issued 55,750,000 common shares with a fair value of $216,500, pursuant to the provisions of various consulting services agreements entered into by the Company.

Item 2. Management's Discussion and Analysis or Plan of Operations

Forward Looking Statements

Except for the historical information and discussions contained herein, statements contained in this Form 10-QSB may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, including any projections of earnings, revenues, or other financial items; any statements of the plans, strategies, and objectives of management for future operation; any statements concerning proposed new products, services, or developments, any statements regarding future economic conditions or performance, statements of belief, statements of assumptions underlying any of the foregoing and other risks, uncertainties and factors discussed elsewhere in this Form 10-QSB or in the Companys other filings with the Securities and Exchange Commission.

RESULTS OF OPERATIONS

For The Six Month Period Ended June 30, 2003

For the six-month period ended June 30, 2003, the Company earned revenues of $502. The revenues were related to the production of a live event for one client.

During the six month period ended June 30, 2003, the Company incurred operational expenses of $352,138. These operating expenses included: consulting fees of $100,539, business development expenses $149,645, and professional fees of $32,026 for the six month period ending June 30, 2003. The company continues to incur significant consulting and business development costs in its effort to realize its business strategy and its business plan.

For the six month period ended June 30, 2003, the company also issued a total of 10,500,000 shares as payment to one of our legal advisors to cover our legal expenses and to establish a pre-paid expense for future legal services. At June 30, 2003, the Pre-paid Expense totaled $36,139.

During the six month period ended June 30, 2003, the Company incurred a net loss from operations of $351,636.

For The Three Month Period Ended June 30, 2003 Compared To the Three Month Period Ended June 30, 2002

For the three month period ended June 30, 2003, the Company earned revenues of $502, as compared to revenues of $5,000 for the same period ended June 30, 2002.

For the three month period ended June 30, 2003, the Company incurred operational expenses of $ 237,398, as compared to $516,809 during the same period in

2002. These operating expenses included: consulting fees of $50,539 and $68,401, business development expenses $128,645, and $168,786; and professional fees of $24,585, and $32,280, for the three month period ending June 30, 2003, and 2002, respectively.

The Company incurred a net loss from operations of $236,896 for the fiscal quarter ended June 30, 2003, as compared to $511,809 for the same period in 2002.

Liquidity and Financial Condition As Of June 30, 2003

We had cash-on hand of totaling $64 as of June 30, 2003.

Due to major changes in market conditions, management decided to change our business strategy to maximize our chances of success. Since inception the Company?s original business strategy was to operate as a venture development organization focused on content distribution utilizing the Internet. As reported in the Company?s Annual report for the period ended December 31, 2002 the Company' has shifted its strategy from being focused solely on technology oriented to one of focused on live entertainment, particularly entertainment establishments (i.e. nightclubs) and live events (i.e. concerts and special events).

Our business strategy has been to build urban lifestyle-based businesses based around software and on-line communities. We believe that our vision to build lifestyle businesses is still viable but that we need to change to an off-line focus with the on-line focus coming later. Accordingly we are focusing our immediate efforts on building a network of licensed entertainment establishments, as the base for our urban lifestyle businesses. These establishments will still utilize a branding approach so that we can sell other urban lifestyle products and services.

Our immediate aim is to acquire our first establishment so that we can use it as a flagship for the network and demonstrate our unique and proprietary entertainment concepts for use in our other establishments. We intend that the later establishments will be developed in new and existing locations in major cities throughout the United States and Canada.

In order to finance the first acquisition, and our phases of implementation we plan to raise investment capital through different types of securities offerings. We plan to fund new establishment locations, including our first acquisition, through direct investments into the individual establishments and providing the investors with cash dividends and some capital stock in the Company to the investors. This is hoped to reduce the potential dilution to our existing shareholders. We possibly plan to raise investment capital by sale of stock in our subsidiaries, or other planned subsidiary which again is hoped to reduce dilution to our existing shareholders. We plan to invite direct investments into the Company to provide funds for general corporate purposes. We believe that this plan will enable us to achieve our development goals with acceptable dilution to our existing shareholders.

We believe that the first acquisition of a nightclub entertainment establishment will require approximately a minimum

of $300,000 for the acquisition, plus approximately

$100,000 in
legal, accounting and administrative expenses. In addition our first acquisition will require a minimum of another $400,000 for working capital and general corporate purposes. This is a minimum total of approximately $800,000 that will be required in the next quarter during which we are hoping to make the first acquisition. In the following 3 months, we plan to make one or two additional acquisitions. We believe that the cost of a second and third acquisition or development project will be approximately a minimum of $1,000,000 each and that approximately another $500,000 minimum each will be required for the same purposes as listed above for the first acquisition and for working capital and general corporate purposes. Thus, we anticipate needing a minimum of $4,000,000 of investment capital during the next six months.

After the first two acquisitions, we intend to develop other entertainment establishments from initial buildout rather than from acquisitions. Our plan is to open one or two additional entertainment establishments by the end of 2003 or the end of the 1st quarter of 2004 and we anticipate that additional funding (approximately $1,000,000) will be required to accomplish this. Management anticipates that funding requirements for this plan will be less than the overall cost of opening these nightclubs, since the revenues from the first two or three nightclubs is expected to generate enough cash flow to reduce the level of external capital required. We have developed comprehensive business and financial plans that result in our development of a network of entertainment establishments that should operate on a cash positive basis and without incurring substantial dilution to stockholders such that the Company can possibly increase its overall valuation substantially. The Company believes it will require approximately $1,000,000 to launch its live events business unit, including the cost of acquisitions and their subsequent integration and for the venture development of other potential lines of business for 2003 and 2004. The total additional working capital financing described in this section is planned to also include the development of other synergistic business units such as, including but not limited to, membership services, brand licensing and merchandising.

Management plans on initiating a series of securities offerings to raise the investment capital needed to meet our acquisition plans. Although we will make efforts to minimize dilution to current shareholders, we may not be able to avoid dilution due to many factors, including but not limited to, the closing of financing at lower than the desired market price of the Company's common stock.

LIVESTAR hopes to secure the financing to satisfy the capital needs for each phase of its implementation plan through the execution of various funding methods, primarily private placement investments or debt financing. LIVESTAR hopes to achieve this by securing relationships with accredited individual investors, investment bankers, venture capitalists, and/or finance advisors that have the experience and relationships to aid LIVESTAR with its capital raising efforts. The source of the private placement or debt financing may be comprised of a mix of principal shareholders, private investors and venture capital companies.

If needed capital investment for our acquisitions or developments

is not available, in whole or in part, we intend to delay the implementation plan regarding our acquisition or development plans until sufficient investment capital becomes available. We cannot give any assurances that we will raise sufficient investment capital to meet the business

plan. In addition to
delays to the implementation plan regarding our acquisition or development plans due to insufficiency of investment capital, we may suffer other consequences, including but not limited to the following; We may have to suspend or discontinue operations of one or more of our business units or we may have to suspend or discontinue operations of the Company if we become insolvent as a result.

Until we close our first revenue producing acquisition or begin to produce significant revenues, we will be reliant on capital received from private placements, loans, and the exercise of options and warrants. Due to the depressed market for our securities, we may not be able avoid significant dilution to current shareholders. In addition, we expect to continue to retain certain management, staff and consultants, such as legal counsel, and may need to compensate these individuals through the issuance of our common stock as compensation. These stock based compensations may result in significant dilution to current shareholders due to the depressed market for our securities. We also continue to reduce or prevent collection of outstanding vendor debts and accounts with creditors, such as suppliers and consultants, which could result in litigation against the Company. There can be no guarantee that all of these negotiations will be successful and the outcome of these negotiations may include settlements in cash and/or issuance of common stock. These stock based settlements may result in significant dilution to current shareholders due to the depressed market for our securities. We plan on continuing to meet certain of our expenses through the issuance of our shares of common stock, which may cause additional and significant dilution to existing shareholders due to the depressed market for our securities.

In the event we are successful in the acquisition of Sequel, our first planned and pending acquisition, some day to day business operations of the corporation may be covered by the cash flow of the Sequel. This pending acquisition and the possibility of positive cash flow to the Company may contribute positively to LIVESTARs liquidity position.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

During the three month period ending June 30, 2003 the Company had no legal proceedings filed against it.

The Company believes that, as it commences revenue-producing operations and as it raises capital, we will have the resources to reduce or prevent collection litigation by creditors or others.

Item 2. Changes in Securities

Recent Sales of Unregistered Securities

During May 2003, the Company issued 1,584,608 shares of its previously authorized, but unissued common stock. The shares were issued to an individual in exchange for the conversion of a Loan. The transaction was valued at $0.004 per share for a total consideration of $6,338. The transaction was an isolated transaction with an individual

having a close affiliation with us
and was exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) of the Act because of not being part of a public offering. The offering was for a limited purpose and did not use the machinery of public distribution

During May 2003, the Company issued 2,087,952 shares of its previously authorized, but unissued common stock. The shares were issued to one individual in exchange for the conversion of loan(s). The transaction was valued at $0.004 per share for a total consideration of $7,202. The transaction was an isolated transaction with an individual having a close affiliation with us and was exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) of the Act because of not being part of a public offering. The offering was for a limited purpose and did not use the machinery of public distribution

During May 2003, the Company issued warrants to purchase common stock to one unrelated company. The warrants issued allow the holders to purchase 1,648,750 shares of our common stock at an exercise price of $0.01. The warrants were issued in relation to a private placement of company common stock which took place in a prior quarter with one unrelated company having a business association with the Company and were exempt from registration under Section 4(2) of the Securities Act of 1933.

Item 3. Defaults upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

(a) We held an Annual General Meeting of our shareholders (the "Annual General Meeting") on June 20, 2003 for the fiscal year ended December 31, 2002.

(b) Please refer to Item 4(C)(i) below

(c) Set forth below is a brief description of each matter voted upon at the Annual General Meeting and the number of affirmative votes and the number of negative votes cast:

(i) The board of directors of the corporation nominated Ray Hawkins and Edwin Kwong to stand for election as members of the board of directors for the coming year which two persons shall constitute the entire board of directors. No other nominations were made.

Votes for 45,552,121
Votes against 0
Votes abstaining 31,170,956

(ii) The board of directors of the corporation requested the shareholders of the corporation approve the amendments to the articles of incorporation to change the name of the corporation from RRUN Ventures Network Inc. to LIVESTAR Entertainment Group, Inc.

Votes for 45,552,121
Votes against 0
Votes abstaining 31,170,956

(d) Not applicable

Item 5. Other Information

As of April 22, 2003, LIVESTAR executed a Promissory Note totaling $6338, where by Edwin Kwong was granted the option to convert at anytime to common shares the outstanding balance in debt owed by the Company at $0.004 per share. This Promissory Note is the result of an amendment to the Promissory Note of February 27, 2002 with Edwin Kwong. The amendment provides that Edwin Kwong can execute the conversion provision at any time at the conversion rate of $0.004/share. Mr. Kwong is the secretary, treasurer and a director of the Company.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

99.1 Certification by CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 Certification by CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

On August 11, 2003, the Company filed a current report on Form 8-K discussing under Item 5, a definitive agreement pursuant to which the Company may acquire The Sequel Nightclub.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.

LIVESTAR Entertainment Group, Inc.

Date: August 19, 2003

By: /s/ Ray Hawkins

Ray Hawkins, President and Chief Executive Officer

/s/ Edwin Kwong

By: Edwin Kwong, Principal Accounting Officer and Chief Financial Officer

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CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ray Hawkins, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Livestar Entertainment Group Inc. (the Registrant);
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures based on my evaluation as of the Evaluation Date;

5. I have disclosed, based on my most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly

affect internal controls subsequent to the date of my most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: August 19, 2003

/s/ Ray Hawkins

Ray Hawkins
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Edwin Kwong, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Livestar Entertainment Group, Inc. (the Registrant);

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period

covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all materialrespects the financial condition, results of operations and cash flows of theregistrant as of, and for, the periods presented in this quarterly report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures based on my evaluation as of the Evaluation Date;

5. I have disclosed, based on my most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly

affect internal controls subsequent to the date of my most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: August 19, 2003

/s/ Edwin Kwong

Edwin Kwong
Chief Financial Officer
(Principal Financial Officer)