

Edgar Filing: NUTRA PHARMA CORP - Form 10-Q

NUTRA PHARMA CORP
Form 10-Q
May 14, 2002

UNITED STATES
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 March 31, 2002
- () Transition report pursuant of Section 13 or 15(d) of the Securities Exchange Act of 1939 for the transition period ____ to_____

COMMISSION FILE NUMBER: 333-44398

NUTRA-PHARMA CORP.

(Exact name of registrant as specified in its charter)

California

91-2021600

(State or other jurisdiction of incorporation or organization)

(IRS Employer I.D. Number)

6505 216th Street, SW, Suite 105
Mountain Terrace, WA 98004
(425) 673-7595

(Address of Principal Executive Offices, including Registrant's zip code and telephone number)

NONE

Former name, former address and former fiscal year, if changed

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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

The number of shares of the registrant's common stock as of March 31, 2002: 2,000,000 shares.

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

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SIGNATURES

FINANCIAL DATA SCHEDULE

Nutra Pharma Corp.
(A Development Stage Company)
Balance Sheets

	December 31, 2001	March 31, 2002
	-----	-----

ASSETS

Current Assets:

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Cash	\$ 0	\$ 0
	-----	-----
Total current assets:	0	0
	-----	-----
Non-current Assets		
License Agreement	1,750,000	1,750,000
	-----	-----
Accumulated Amortization	(116,667)	(116,667)
	-----	-----
Total Non-Current Assets	1,633,333	1,633,333
	-----	-----
TOTAL ASSETS	\$1,633,333	1,633,333
	-----	-----
LIABILITIES & STOCKHOLDERS' EQUITY		
Current Liabilities:		
Loan payable-related party	42,683	184,327
	-----	-----
Total Current Liabilities	42,663	184,327
	-----	-----
Long Term Liabilities		
License fees payable	1,725,000	1,675,000
	-----	-----
Total Liabilities	1,767,683	1,859,327
	-----	-----
Stockholders' Equity:		
Preferred stock authorized - 20,000,000		
Issued and outstanding - 0		
Common stock, \$.001 par value		
Authorized - 2,000,000,000 shares		
Issued and outstanding - 44,500,000 shares	69,450	69,450
Paid in capital	(17,500)	0
Deficit accumulated during		
the development stage	(186,294)	(360,438)
	-----	-----
Total Stockholders' Equity	(25,333)	166,977
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$1,633,339	\$1,633,339
	=====	=====

Nutra Pharma Corp.
(A Development Stage Company)
Statements of Operations
For the periods ended March 31, 2001 and 2002
and for the period February 1, 2000 (inception) through March 31, 2002

March 31, 2001	March 31, 2002	Cumulative from (inception) through December 31, 2001
-----	-----	-----

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Income	\$ 0	\$ 0	\$ 0
	-----	-----	-----
Total Income	\$ 0	\$ 0	\$ 0
	-----	-----	-----
Operating Expenses			
Amortization Expense	\$ 0	\$ 0	
General and administrative expenses	1,950	141,644	327,938
	-----	-----	-----
Total Expenses	0	141,644	327,938
	-----	-----	-----
Net income (loss)	\$ 0	\$141,644	\$ (360,438)
	-----	-----	-----

Nutra Pharma Corp.
(A Development Stage Company)
Statement of Stockholders' Equity
For the period February 1, 2000 (inception)
through March 31, 2001

	Number of Shares Outstanding	Common Stock at Par Value	Paid In Capital	Deficit Accumulated During Development Stage
	-----	-----	-----	-----
February 1, 2000 (inception)	0	\$ 0	\$ 0	
Stock issued to founders at inception	1,950,000	1,950	0	
Net loss - December 31, 2000				(1,950)

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Balance at December 31, 2000	1,950,000	\$ 1,950	\$ 0	(1,950)
Common stocks issued 9/30/2001	50,000	25	24,975	
20-1 split	40,000,000	40,000		
Common	2,500,000	2,500		
Net loss - December 31, 2001				(184,344)
Balance at December 31, 2001	44,500,000	\$ 44,475	\$24,975	(186,294)
Net loss - March 31, 2002				(146,644)
Balance - March 31, 2002	44,500,000	69,450		(360,438)

Nutra Pharma Corp.
(a Development Stage Company)
Statements of Cash Flows
For the years ended March 31, 2001 and 2002, and
For the period May 31, 2000 (inception)
through March 31, 2002

	March 31, 2002	March 31, 2001	February 1, 2000 (inception) through March 31 2002
	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$ (141,644)	\$ (1,950)	\$ (360,438)
Amortization	116,667		116,667
Increase in other assets	(1,750,000)		(1,750,000)
Increase in fees payable	1,725,000		1,725,000
	-----	-----	-----

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NET CASH USED BY OPERATING ACTIVITIES	\$ (141,644)	\$ (1,950)	\$ (360,438)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of stock	0	1,950	26,950
	-----	-----	-----
NET CASH FROM FINANCING ACTIVITIES	\$ 0	\$ 1,950	\$ 26,950
	-----	-----	-----
INCREASE (DECREASE) IN CASH	0	0	6
BEGINNING CASH	0	0	0
	-----	-----	-----
ENDING CASH	\$ 6	\$ 0	\$ 6
	=====	=====	=====

NUTRA PHARMA CORPORATION
(A Development Stage Company)
Notes to Financial Statements
March 31, 2002

NOTE 1 - NATURE OF BUSINESS

Nutra Pharma was incorporated under the laws of the state of California on February 1, 2000, under the original name of Exotic-Bird.com, and subsequently changed its name to Cyber-Vitamin.com and, in November, 2001, to Nutra Pharma Corporation. The purpose for which the Corporation is organized is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of California including, without limitation, to engage in the distribution of botanical biopharmaceutical products.

Nutra Pharma has been in the development stage since its formation on February 1, 2000. Planned principal operations have only recently commenced since then, but Nutra Pharma has not generated any significant revenue.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis - The Company uses the accrual method of accounting.

Cash and cash equivalents - The Company considers all short term, highly liquid investments that are readily convertible within three months to known amounts as cash equivalents. Currently, it has no cash equivalents.

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Loss per share - Net loss per share is provided in accordance with Statement of Financial Accounting Standards No. 128 "Earnings Per Share". Basic loss per share reflects the amount of losses for the period available to each share of common stock outstanding during the reporting period, while giving effect to all dilutive potential common shares that were outstanding during the period, such as stock options and convertible securities. Fully Diluted Earnings Per Shares shall be shown on stock options and other convertible issues that may be exercised within ten years of the financial statement dates. As of December 31, 2001 the Company had no issuable shares qualified as dilutive to be included in the earnings per share calculations.

Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statement and accompanying notes. Actual results could differ from those estimates.

E. Revenues are recognized and recorded when ordered goods are paid for by credit card. Expenses are realized and recorded when invoiced. The Company has adopted the provision of SFAS No. 109 "Accounting for Income Taxes". It requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Nutra Pharma

Corporation has incurred losses that can be carried forward to offset future earnings if conditions of the Internal Revenue codes are met.

The Company's total deferred tax assets as of December 31, 2001 is as follows:

Net operating loss carryforward	\$62,677
Valuation allowance	(62,677)
Net deferred tax asset	\$ -
	=====

The net operating loss carry forward for federal tax purposes will expire in year 2021.

NOTE 4 - RELATED PARTY TRANSACTIONS

The Company issued a total of 6,000,000 share of unregistered common stock to its officers, legal counsel, and consultant in exchange for services rendered. The stocks issued are recorded at par value of the services received. The company has issued a long term note payable to an officer of the company, in exchange for working capital. The note is payable on demand, at an interest rate of 10% per annum.

NOTE 5 - License Agreement

On May 7, 2001, the Company entered into a license agreement. The purchase price for the license was \$1,750,000. The cost of the licensing agreement acquired was recorded as an intangible asset and is being amortized over the term of the license of five years. At December 31, 2001, accumulated amortization was \$116,667. Under the agreement, the Company is obligated to pay monthly minimum license fees of \$100,000 through May 2003 with an option to renew. The Company is also required to pay a 2% royalty on the wholesale selling price and a renewal fee of 15% of the original license per year.

NOTE 6 - SUBSEQUENT EVENTS

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On January 30, 2002, the Company and Terra Biopharma S.A., a corporation formed under the laws of the Republic of Panama, entered into a joint venture agreement to patent the compound WD667, its manufacturing process and various uses in human and animal healing. Terra Nutra shall be owned by 50% Nutra Pharma and 50% Terra Biopharma. Nutra Pharma shall be the sole and exclusive distributor of all products derived from compound. Nutra Pharma shall pay Terra Biopharma \$1,740,000 in exchange for the distribution rights of the product. Terra Biopharma shall purchase suitable land and construct a manufacturing plant. This agreement supersedes the exclusive license agreement between Terra Biopharma and Nutra Pharma dated May 7, 2001.

NOTE 7 - GOING CONCERN

The Company has nominal assets and no current operations with which to create operating capital. It has an accumulated deficit of \$184,344 at December 31, 2001. These factors raise substantial doubt about the company's ability to

continue as a going concern. The company seeks to raise operating capital through private placements of its common stock. However, there can be no assurance that such offering or negotiations will be successful.

SIGNATURES

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

NUTRA PHARMA CORP.

Dated: May 13, 2001

By:

Michael Flax

Michael Flax, President