

Edgar Filing: INVENTOY COM INC - Form 10QSB

INVENTOY COM INC  
Form 10QSB  
December 14, 2001

U.S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: October 31, 2001

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 333-61714

-----  
Inventoy.com, Inc.

-----  
(Exact name of small business issuer as  
specified in its charter)

Delaware

13-418563

-----  
(State or other jurisdiction  
of incorporation or organization)

-----  
(IRS Employer  
Identification No.)

6786 Willowood Drive, Suite G1006, Boca Raton, Florida 33434

-----  
(Address of principal executive offices) (Zip Code)

Issuer's telephone number (561) 482-6952

-----  
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  No

As of December 10, 2001 there were 5,211,000 shares of the registrant's  
common stock, par value \$0.001, issued and outstanding.

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

INVENTOY.COM, INC.  
OCTOBER 31, 2001 QUARTERLY REPORT ON FORM 10-QSB  
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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

To the extent that the information presented in this Quarterly Report on Form 10-QSB for the quarter ended October 31, 2001, discusses financial projections, information or expectations about our products or markets, or otherwise makes statements about future events, such statements are forward-looking. We are making these forward-looking statements in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These risks and uncertainties are described, among other places in this Quarterly Report, in "Management's Discussion and Analysis of Financial Condition and Results of Operations".

In addition, we disclaim any obligations to update any forward-looking statements to reflect events or circumstances after the date of this Quarterly Report. When considering such forward- looking statements, you should keep in mind the risks referenced above and the other cautionary statements in this Quarterly Report.

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Inventoy.com, Inc.
(A Development Stage Company)

Balance Sheets

Table with 2 columns: October 31, 2001 and July 31, 2001. Includes a note '(Unaudited)' and dashed lines for alignment.

Assets

Current assets:

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Cash	\$ 53,838	\$ 62,991
	-----	-----
Total current assets	53,838	62,991
	-----	-----
Other assets:		
Purchased toy designs	3,000	3,000
	-----	-----
Total assets	\$ 56,838	\$ 65,991
	=====	=====
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 3,648	\$ 6,864
	-----	-----
Total liabilities	3,648	6,864
	-----	-----
Shareholders' equity:		
Common stock, 20,000,000 shares authorized; 5,211,000 shares issued and outstanding; par value \$.001	5,211	5,211
Preferred stock, 5,000,000 shares authorized; -0- shares issued and outstanding; par value \$.001	--	--
Additional paid in capital	78,523	81,849
Subscriptions receivable	(600)	(600)
Retained earnings (deficit)	(29,944)	(27,333)
	-----	-----
Total shareholders' equity	53,190	59,127
	-----	-----
Total liabilities and shareholders' equity	\$ 56,838	\$ 65,991
	=====	=====

See accompanying Notes to Financial Statements.

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Inventoy.com, Inc.  
(A Development Stage Company)

Statements of Operations

(Unaudited)

	Three months ended October 31, 2001	Three months ended October 31, 2000	Period from August 11, 1999 (inception) to October 31, 2001
	-----	-----	-----
Revenues:			
Net sales	\$ --	\$ --	\$ --
	-----	-----	-----

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Expenses:			
General and administrative	2,797	9,075	31,104
	-----	-----	-----
Total Expenses	2,797	9,075	31,104
Other Income:			
Interest	185	6	1,159
	-----	-----	-----
Net income (loss)	\$ (2,612)	\$ (9,069)	\$ (29,945)
	=====	=====	=====
Net income (loss) per share:			
Basic	\$ (0.01)	\$ (0.01)	
	=====	=====	
Diluted	\$ (0.01)	\$ (0.01)	
	=====	=====	
Weighted average common shares used in calculation of net income (loss) per share	5,211,000	3,680,556	
	=====	=====	

See accompanying Notes to Financial Statements.

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Inventoy.com, Inc.  
(A Development Stage Company)

Statements of Cash Flows

(Unaudited)

	Three Months Ended October 31,		Period August (inc to Oc
	2001	2000	
	-----	-----	---
Cash flows from operating activities:			
Net loss	\$ (2,612)	\$ (9,069)	\$ (
Adjustments to reconcile net loss to cash provided (used) for operating activities:			
Common stock issued for services	--	--	
	-----	-----	---
	(2,612)	(9,069)	
Increase (decrease) in operating accounts payable	(3,216)	11,088	
	-----	-----	---
Cash provided (used) for operating activities	(5,828)	2,019	
	-----	-----	---
Cash flows from financing activities:			
Proceeds of private placement offering net of			

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\$3,325, \$2,014 and \$80,965 direct costs	(3,325)	10,486
	-----	-----
Cash provided (used) for financing activities	(3,325)	10,486
	-----	-----
Increase (decrease) in cash	(9,153)	12,505
Cash, beginning of period	62,991	--
	-----	-----
Cash, end of period	\$ 53,838	\$ 12,505
	=====	=====

Supplemental Disclosure of non-cash investing and financing activities:

Receivable from shareholders in connection with subscription from common stock	\$ --	\$ --	
	-----	-----	
Issuance of common stock for deferred design costs	\$ --	\$ --	\$
	-----	-----	-----

See accompanying Notes to Financial Statements.

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Inventoy.com, Inc.  
(A Development Stage Company)

Notes to Financial Statements

(Unaudited)

### 1. Consolidated Financial Statements

The accompanying financial statements include the accounts of Inventoy.com, Inc. (a development stage company). The interim statements are unaudited and, in the opinion of management, include all adjustments (which include only normal recurring adjustments) necessary to present fairly the Company's financial position as of October 31, 2001 and the results of its operations and cash flows for the interim periods presented. The balance sheet data for July 31, 2001 are derived from the audited financial statements that are included in the Company's report on Form SB-2 registration Statement filed on October 29, 2001, which should be read in connection with these financial statements.

The accounting policies followed in the presentation of the interim financial results are the same as those followed on an annual basis. Those policies are presented in Note 3, "Significant Accounting Policies in the consolidated financial statements included in the Company's annual report on Form SB-2.

The interim financial results as of the three months ended October 31, 2001 are not necessarily indicative of the results that will be obtained for the year ending July 31, 2002.

### 2. Supplemental Cash Flow Information

October 31	October 31
2001	2000
-----	-----

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Cash paid during the three months for:

Interest	\$ --	\$ --
	=====	=====
Income taxes	\$ --	\$ --
	=====	=====
Non-cash financing transaction:		
Direct stock placement costs	\$ --	\$3,325
	=====	=====

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### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements involving risks and uncertainties based on our current expectations and the development of our business. All statements in this report relate to our intended business plans, prospective financial operations and expected future growth or profitability constitute forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties. Our actual results may differ significantly from those anticipated or expressed in these statements. You should read the following discussion and analysis in conjunction with the audited financial statements (and notes thereto) and other financial information of our company appearing elsewhere in this report.

#### Overview

Inventoy was incorporated on August 11, 1999, and seeks to license toy designs to toy manufacturers and to act as a toy inventor's agent in licensing toy designs developed by others. Additionally Inventoy will seek revenue from the sale of banner ads on the web page it plans to create. However, the expectation is that any revenue from the sale of banner ads will be minimal. Inventoy's licensing efforts begin with twenty-seven toy designs which were acquired from Kaplan Design Group, a New Jersey general partnership. Inventoy expects to market those toy designs by both direct meetings with toy manufacturers' representatives as well as through a website that will give the manufacturers an opportunity to review pictures and descriptions of new inventions at a single source to decide whether a fact-to-face meeting would be useful.

Inventoy's plan of operations for the next twelve months includes hiring a web designer to build Inventoy's web page, and soliciting new toy designs. The web page will take approximately four months build and cost approximately \$25,000. We plan to hire a web designer later this year. We will rely on Ed Kaplan and Doug Kaplan's contacts in the toy industry to solicit new toy designs. We plan for the web page to also solicit new toy designs. Also, during the next twelve months Ed Kaplan will market Inventoy's current toy designs directly to toy manufactures' representatives.

From its inception to the time of filing this report, Inventoy has been developing its business and had no operations. Inventory believes that it will not need to raise additional funds in the next twelve months.

#### Intellectual Property

We have no trademark, copyright or patent protection at this time. None of the designs we own are protected by patent protection. Generally, while some toy designs may be entitled to patent protection, the majority of toy designs will not meet the criteria for a utility patent protection. Some designs may be

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eligible for a limited degree of protection provided by design patents. However, in general most designs are protected only under the law of trade secrets. Under the law of trade secrets, the secret is legally protected only for so long as it is not disclosed to others other than by someone under an obligation to maintain its secrecy.

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### Competition

We expect to face intense competition both in our efforts to market new toy inventions to toy manufacturers and in our efforts to get new inventor customers for whom we can act as agent. There are several other companies seeking to assist toy inventors, one of the more successful companies is Haystack Toy Company. Insofar as marketing toy designs to the manufacturers is concerned, the major competition will be from the manufacturers' own in-house design departments. There are also approximately 150 independent toy design companies, many of which are sole proprietorships. The principal bases on which industry participants compete is on the perceived value of the toy design concept and the likelihood of it being manufactured and marketed.

### PART II - OTHER INFORMATION

#### ITEM 1. LEGAL PROCEEDINGS

We are not a party to nor are we aware of any existing, pending or threatened lawsuits or other legal actions.

#### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

None.

(b) Reports on Form 8-K.

None.

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### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 14th day of December, 2001.

Inventoy.com, Inc.

By: /s/ Ed Kaplan

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Ed Kaplan, President, CEO  
and Chairman of the Board  
(principal financial officer)

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