

# FORM 10-QSB

SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549

Quarterly Report Under Section 13 or 15 (d)  
Of the Securities Exchange Act of 1934

For Quarter Ended March 31, 2001

Commission File Number 33-26787-D

iBonZai.com, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

87-0403828  
(IRS Employer  
Identification No.)

435 East Universal Circle, Sandy, UT 84070  
(Address of principal executive offices)

Registrant's telephone number  
including area code

(801) 945-9884

Former Address, if changed since last report

Indicate by check mark whether the registrant has filed all required Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file) and whether the registrant is not a "small business" or "small company":

Yes X No     

and (2) has been subject to such filing requirements for the past 90 days.

Yes X No     

14,548,092  
(Number of shares of common  
stock the registrant had  
outstanding as of May 12, 2001)

## **PART 1**

### **ITEM 1 - FINANCIAL STATEMENTS**

The condensed financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission pursuant to the rules and regulations of the Securities and Exchange Commission. The condensed financial statements include disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles. The condensed financial statements have been condensed or omitted pursuant to such principles that the disclosures are adequate to make the information presented not misleading.

In the opinion of the Company, all adjustments, consisting of only those adjustments necessary to present fairly the financial position of the Company as of March 31, 2001 and changes in its financial position from December 31, 2000 through March 31, 2001 have been made. The condensed financial statements for such interim period is not necessarily indicative of the results to be expected for such interim period.

iBonZai.com, Inc.  
(A Development Stage Enterprise)  
CONSOLIDATED BALANCE SHEETS

	March 31, 2001	December 31, 2000
<u>Assets</u>		
Current Assets:		
Receivables	\$ -	\$ 1,305
Inventory	26,553	26,553
Total current assets	26,553	27,858
Property and Equipment:		
Leasehold improvements	10,234	10,234
Equipment	103,864	103,864
Vehicles	17,929	17,929
Accumulated depreciation	(17,026)	(13,621)
Net property and equipment	115,001	118,406
Total assets	<u>\$ 141,554</u>	<u>\$ 146,264</u>
<u>Liabilities and Equity</u>		
Current Liabilities:		
Accounts payable	\$ 110,548	\$ 111,853
Accrued expenses	323,024	269,624
Cash drawn against future deposits	24,546	24,546
iBonZai bucks	25,519	25,519
Short-term loans	274,775	274,775
Shareholder loans	20,000	20,000
Total current liabilities	778,412	726,317
Long Term Liabilities:		
Vehicle loan	14,891	14,891
Total long term liabilities	14,891	14,891
Total liabilities	793,303	741,208
Equity:		
Common stock	14,175	14,175
Contributed Capital	1,016,811	1,016,811
Retained earnings (deficit) accumulated during development stage	(1,682,735)	(1,625,930)
Total equity	(651,749)	(594,944)
Total liabilities and equity	<u>\$ 141,554</u>	<u>\$ 146,264</u>

The accompanying Notes are an integral part of these financial statements.

iBonZai.com, Inc.  
(A Development Stage Enterprise)  
CONSOLIDATED STATEMENTS OF OPERATIONS  
For The Period Ended March 31, 2001  
and Since Inception

	March 31, 2001	Since Inception
Operating Revenues		
Sales	\$ -	\$ 404,898
	-	404,898
Cost of Goods Sold	-	258,533
Gross Profit (Loss)	-	146,365
Operating Expenses		
General & Administrative	45,000	1,773,381
Depreciation & amortization	3,405	17,026
	48,405	1,790,407
Net Operating Income (Loss)	(48,405)	(1,644,042)
Other Revenue (Expense)		
Interest	(8,400)	(38,693)
	(8,400)	(38,693)
Net Income	\$ (56,805)	\$ (1,682,735)
Basic and Diluted Income (Loss) per Share	\$ (0.00)	\$ (0.12)
Common Shares Used in Per Share Calculation	14,174,999	14,174,999

The accompanying Notes are an integral part of these financial statements.

iBonZai.com, Inc.  
(A Development Stage Enterprise)  
CONSOLIDATED STATEMENT OF CASH FLOWS  
For The Months Ended March 31, 2001 and  
Since Inception

Cash flows from operating activities:

Net income (loss)	\$	(56,805)	\$	(1,682,735)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense		3,405		17,026
Changes in current assets and liabilities:				
Receivables (increase) decrease		1,305		-
Inventory (increase) decrease		-		(21,553)
Accounts payable increase (decrease)		(1,305)		94,219
Accrued expenses increase (decrease)		53,400		270,508
Bank overdraft increase (decrease)		-		24,546
iBonZai bucks increase (decrease)		-		25,519
Short term loans increase (decrease)		-		327,291
		<u>-</u>		<u>327,291</u>
Net cash provided (used) by operating activities		<u>-</u>		<u>(945,179)</u>

Cash flows from investing activities:

Capital expenditures		-		(120,290)
Purchase/reverse merger		-		(9,086)
		<u>-</u>		<u>(9,086)</u>
Net cash provided (used) by investing activities		<u>-</u>		<u>(129,376)</u>

Cash flows from financing activities:

Proceeds from long-term loans		-		15,425
Payments on long-term loans		-		(534)
Proceeds from issuance of common stock		-		530,996
Proceeds from issuance of convertible debenture		-		250,000
Shareholder contributions		-		249,990
Shareholder loans		-		108,975
Shareholder loan repayments		-		(98,070)
		<u>-</u>		<u>(98,070)</u>
Net cash provided (used) from financing activities		<u>-</u>		<u>1,056,782</u>
Net changes in cash		-		(17,773)
Cash, beginning		-		17,773
Cash, ending	\$	<u>-</u>	\$	<u>-</u>

Noncash transactions:

Convert shareholder loan to contributed capital	\$	-	\$	142,012
Convert debentures into common stock	\$	-	\$	250,000

The accompanying Notes are an integral part of these financial statements.

iBonZai.com, Inc.

(A Development Stage Enterprise)

Notes to the Financial Statements

March 31, 2001

#### NOTE 1 - INTERIM FINANCIAL STATEMENTS

Management has elected to omit all of Management has elected to omit all of the disclosures for the interim financial statements for the three months presented. Management has elected to omit all of the disclosures for the interim financial statements for the three months presented.

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

iBonZai.com is in the business of developing solutions for business problems. The company provides broadband backbone, billing services and technical support for developing other markets including media, vertical integration through affinity development. ISPs As an interactive communications link between the user and the internet. As an interactive communication moment-by-moment access to personalized information. moment-by-moment access to personalized information intended to allow the user to access e-mail, stock quotes, news reports, weather, movies, internet services, call-back services, call-back features and personal secretarial/intelligent agent services and expandable adaptations.

Since the acquisition of Virtual Market Solutions.Com as Since the acquisition of Virtual Market Solutions.Com, the company has primarily focused on establishing name recognition, building its primary business as an ISP and expanding its customer base.

### **Results of Operations**

In the period ended March 31, 2001, the Company had no revenues to report compared to the period for 2000. During the year 2000, the Company changed from an Internet provider to an Internet provider. The net loss for the first quarter of 2001 was \$(1,628,516). The Company has currently shut down operations, laid off all of its employees, and the president. It is currently in negotiation to sell all of its assets. The Company is currently evaluating business ventures and opportunities which may be more likely to receive market support, business shareholder value. There can be no guarantee that such value will be achieved.

### **Liquidity and Capital Resources**

The Company had an accumulated deficit of \$(1,682,735) as of March 31, 2001. The Company had no operating capital to continue the same type of operations to raise other capital through loans or equity financing and /or joint ventures with other companies.

## PART II

### OTHER INFORMATION

Item 1. Legal Proceedings.	None
Item 2. Changes in Securities.	None
Item 3. Defaults Upon Senior Securities.	None
Item 4. Submission of Matters to a Vote of Security Holders.	None
Item 5. Other Information.	None

As is well known, during the past year the Internet and e-commerce markets have experienced a significant decline in the value consumers, businesses and investors place on Internet related products and services. This decline has negatively affected large corporations with substantial capitalization, it has had an even more negative impact on corporations such as the Company. Consequently, the Company has decided to sell all of its employees except the president. The Company is currently negotiating to sell all of its assets and is investigating other business ventures and opportunities which may be available. The Company is seeking funding, and improve shareholder value. There can be no guarantee that such opportunities, support, funding, or improved shareholder value will be achieved.

Item 6. Exhibits and 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, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ibonzai.com, INC.

By:

/s/ Scott R. Hosking

President

Dated: May 21, 2001