

VITACUBE SYSTEMS HOLDINGS INC
Form 10QSB
May 11, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-QSB

ý Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the quarterly period ended March 31, 2006

or

o Transition Report Pursuant to Section 13 or 15 (d) of
the Securities Exchange Act of 1934

Commission file No. 000-50875

VITACUBE SYSTEMS HOLDINGS, INC.

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

Nevada
(State of incorporation)

84-1575085
(I.R.S. Employer Identification Number)

480 South Holly Street

Denver, CO 80246

(Address of principal executive offices)

Edgar Filing: VITACUBE SYSTEMS HOLDINGS INC - Form 10QSB

(303)-316-8577

(Issuer's telephone number)

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 proceeding 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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

YES NO

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

As of May 8, 2006 the Company had 9,663,345 shares of its \$.001 par value common stock issued and outstanding.

Table of Contents

PART I FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Financial Statements (Unaudited)</u>
	<u>Condensed Consolidated Balance Sheets March 31, 2006 and December 31, 2005</u>
	<u>Condensed Consolidated Statements of Operations Three Months Ended March 31, 2006 and 2005</u>
	<u>Condensed Consolidated Statements of Cash Flows Three Months Ended March 31, 2006 and 2005</u>
	<u>Notes to Financial Statements</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis or Plan of Operation</u>
<u>Item 3.</u>	<u>Controls and Procedures</u>

PART II OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>
<u>Item 4.</u>	<u>Submission of Matters to a Vote of Security Holders</u>
<u>Item 5.</u>	<u>Other Information</u>
<u>Item 6.</u>	<u>Exhibits</u>

Part I FINANCIAL INFORMATION**Item 1 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****VITACUBE SYSTEMS HOLDINGS, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

	March 31, 2006	December 31, 2005
ASSETS		
Current assets:		
Cash	\$ 1,606,627	\$ 2,805,021
Short term investments	110,000	110,000
Accounts receivable, net of allowance for doubtful accounts of \$6,500 and \$5,500, respectively	7,012	8,758
Inventory, net of allowance for obsolescence of \$74,500 and \$17,000, respectively	467,776	542,749
Prepaid expenses and other current assets	297,260	279,502
Total current assets	2,488,675	3,746,030
Intangible assets, net	35,385	36,219
Property and equipment, net	158,453	93,423
Total assets	\$ 2,682,513	\$ 3,875,672
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 632,290	\$ 455,996
Total liabilities	632,290	455,996
Commitments and Contingency		
SHAREHOLDERS EQUITY:		
Preferred stock, authorized 5,000,000 shares, \$.001 par value, none issued or outstanding		
Common stock, authorized 50,000,000 shares, \$.001 par value, 9,663,345 and 9,618,900 issued and outstanding respectively	9,663	9,619
Additional paid in capital	16,170,713	15,990,889
Accumulated (deficit)	(14,130,153)	(12,580,832)
Total shareholders equity	2,050,223	3,419,676
Total liabilities and shareholders equity	\$ 2,682,513	\$ 3,875,672

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

VITACUBE SYSTEMS HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

Three Months Ended March 31, 2006 and 2005

	2006	2005
Net sales	\$ 538,960	\$ 237,056
Cost of goods sold	245,379	84,560
Gross profit	293,581	152,496
Operating expenses:		
Selling and marketing expenses	1,025,138	426,848
General and administrative expenses	803,813	482,041
Research and development expenses	24,570	8,662
Depreciation and amortization	7,650	6,612
Total operating expenses	1,861,171	924,163
Net (loss) from operations	(1,567,590)	(771,667)
Other income (expense)		
Interest income	18,268	115
Interest (expense)		(1,641)
Total other income (expense)	18,268	(1,526)
Net (loss)	\$ (1,549,322)	\$ (773,193)
Net (loss) per common share		
Basic and diluted net (loss) per share	\$ (0.16)	\$ (0.12)
Weighted average common shares outstanding, basic and diluted	9,620,898	6,534,043