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TDT DEVELOPMENT INC
Form 10QSB
May 08, 2002

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

FORM 10-QSB

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act
of 1934

For the quarterly period ended January 31, 2002

Transition report under Section 13 or 15(d) of the Exchange Act

For the transition period from _____ to _____

Commission File Number: 333-54822

TDT DEVELOPMENT, INC.
(Name of Small Business Issuer in its charter)

NEVADA
(State or other jurisdiction of
incorporation or organization)

22-3762835
(I.R.S. Employer Identification No.)

140 De O., Montreal, Quebec, Canada
(Address of principal executive offices)

H2P 1H2
(Zip Code)

(514) 383-6824
Issuer's telephone number

1844 SW 16th Terrace, Miami, Florida 33145
(Former name, former address and former fiscal year,
if changed since last report)

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 No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common
equity, as of the latest practicable date: At May 8, 2002, the issuer had
outstanding 8,381,000 shares of Common Stock.

Transitional Small Business Disclosure Format: Yes No

TDT DEVELOPMENT, INC.
JANUARY 31, 2002

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QUARTERLY REPORT ON FORM 10-QSB

TABLE OF CONTENTS

	PAGE
Special Note Regarding Forward Looking Statements.....	3

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.....	4
Item 2. Management and Discussion and Analysis or Plan of Operation....	9

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....	10
-----------------------------------------------	----

2

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

To the extent that the information presented in this Quarterly Report on Form-QSB for the quarter ended January 31, 2002 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 or Plan of Operation."

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.

3

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Balance Sheet as of January 31, 2002 and October 31, 2001.....	5
Statements of Operations for the three month periods ended January 31, 2002 and January 31, 2001.....	6

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Statements of Cash Flows for the three month periods ended January 31, 2002 and January 31, 2001.....	7
Notes to Financial Statements.....	8

4

TDT Development, Inc. and Subsidiaries

Consolidated Balance Sheets

	January 31, 2002 ----- (Unaudited) -----	October 31, 2001 -----
Assets		
Current assets:		
Cash	\$ 4,604	\$ 33,884
Accounts receivable, net of allowance for doubtful accounts of \$1,150 and \$1,358	29,873	38,038
Inventory	46,457	55,739
	-----	-----
Total current assets	80,934	127,661
	-----	-----
Fixed assets:		
Office furniture, net of accumulated depreciation of \$1,533 and \$1,321, respectively	2,686	2,896
Computers and equipment, net of accumulated depreciation of \$4,681 and \$4,026, respectively	8,418	9,073
	-----	-----
Total fixed assets	11,104	11,969
	-----	-----
Other assets:		
Security deposits	160	160
	-----	-----
Total assets	\$ 92,198	\$ 139,790
	=====	=====
 Liabilities and Shareholders' Equity		
Current liabilities:		
Bank overdraft	\$ --	\$ 4,307
Revolving credit line	5,886	5,284
Accounts payable	1,151	1,151
Loans payable to shareholders	17,787	14,301
Accrued expenses payable	--	23,752
	-----	-----
Total liabilities	24,824	48,795
	-----	-----
Shareholders' equity:		

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Common stock, 50,000,000 shares authorized; 8,381,000 shares issued and outstanding; par value \$.0001	838	838
Preferred stock, 5,000,000 shares authorized; -0- shares issued and outstanding; par value \$.0001	--	--
Additional paid in capital	305,707	305,707
Retained earnings (deficit)	(239,171)	(215,550)
Total shareholders' equity	67,374	90,995
Total liabilities and shareholders' equity	\$ 92,198	\$ 139,790

See accompanying Notes to Consolidated Financial Statements.

5

TDT Development, Inc.
and Subsidiaries

Consolidated Statements of Operations
(Unaudited)

	Three Months Ended January 31	
	2002	2001
(Unaudited)		
Revenues:		
Net sales	\$ 21,235	\$ 47,573
Cost of sales	9,281	20,707
Gross profit	11,954	26,866
Commissions	--	7,529
Total Revenue	11,954	34,395
Operating Expenses:		
General and administrative expenses	15,746	25,953
Selling expenses	19,028	29,381
Total expenses	34,774	55,334
Other Income and Expenses:		
Miscellaneous income	--	--
Interest income	48	--
Interest expense	(849)	(2,319)
Total other income and expenses	(801)	(2,319)

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Net income (loss)	\$ (23,621)	\$ (23,258)
	=====	=====
Net income (loss) per share:		
Basic	\$ (0.01)	\$ (0.01)
	=====	=====
Weighted average common shares used in calculation of net income (loss) per share	8,381,000	5,571,337
	=====	=====

See accompanying Notes to Consolidated Financial Statements.

6

TDT Development, Inc.
and Subsidiaries

Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended January 31,	
	2002	2001
	----- (Unaudited)	----- (Unaudited)
Cash flows from operating activities:		
Net loss	\$ (23,621)	\$ (23,258)
Adjustments to reconcile net loss to cash used by operating activities:		
Depreciation	865	814
	-----	-----
	(22,756)	(22,444)
(Increase) decrease in accounts receivable	8,165	(38,487)
(Increase) decrease in inventory	9,282	(6,452)
(Decrease) in operating accounts payable	--	7,599
Increase in accrued interest payable	--	1,823
Increase (decrease) in accrued expenses	(23,752)	17,967
	-----	-----
Cash used by operating activities	(29,061)	(39,994)
	-----	-----
Cash flows from investing activities:		
Purchase of fixed assets	--	(3,062)
	-----	-----
Cash flows from financing activities:		
Proceeds from stockholders' loans	3,486	--
Proceeds of private placement offering	--	210,100

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Revolving credit line borrowings	602	4,872
Proceeds (repayment) of promissory note payable	--	40,000
Proceeds (repayment) of bank overdraft	(4,307)	(1,468)
	-----	-----
Cash provided by financing activities	(219)	253,504
	-----	-----
Increase (decrease) in cash	(29,280)	210,448
Cash, beginning of period	33,884	--
	-----	-----
Cash, end of period	\$ 4,604	\$ 210,448
	=====	=====
Supplemental cash flow disclosures:		
Cash paid for interest	\$ 248	\$ 496
	=====	=====
Cash paid for taxes	\$ --	\$ --
	=====	=====

See accompanying Notes to Consolidated Financial Statements.

7

TDT Development, Inc.
and Subsidiaries

Notes to Consolidated Financial Statements
(Unaudited)

1. Consolidated Financial Statements

The accompanying financial statements include the accounts of TDT Development, Inc. and its wholly owned subsidiaries Terre di Toscana, Inc and Terres Toscanes, Inc. (The "Company", "TDT"). All significant intercompany balances and transactions have been eliminated in consolidation.

The accompanying unaudited consolidated financial statements of TDT have been prepared in accordance with generally accepted accounting principles for interim financial information and the instructions to Form 10-QSB and the Rule 10-01 of Regulation S-X promulgated by the Securities and Exchange Commission and do not include all of the information and footnotes required by generally accounting principles accepted in the United States of America for audited financial statements. In the opinion of management, these interim financial statements include all adjustments necessary in order to make these financial statements not misleading. The results of operations for such interim periods are not necessarily indicative of the results of operations for a full year or any other period. The unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company included in the Company's Annual Report on Form 10-K for the year ended October 31, 2001.

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 10-K.

On March 1, 2002, the Board of Directors of TDT Development, Inc. approved a change of the Company's fiscal year to December 31 from October 31, effective March 1, 2002 and a Form 10-Q/T report was filed on April 22, 2002 with the

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Securities and Exchange Commission for the two-month period ended December 31, 2001.

2. Supplemental Cash Flow Information

	January 31 2002 -----	January 31 2001 ----
Cash paid during the two Month periods for:		
Interest	\$ 248 =====	\$496 =====
Income taxes	\$ -- =====	\$ -- =====

8

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

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.

We have focused primarily on capital issues and on expanding our business during the three months ended January 31, 2002.

RESULTS OF OPERATION

Total revenues for the three months ended January 31, 2002 were \$11,954 as compared to \$34,395 for the three months ended January 31, 2001. Our cost of goods sold for the three months ended January 31, 2002 was \$9,281 as compared to \$20,707 for the three months ended January 31, 2001. Our gross profit on sales was \$11,954 for the three months ended January 31, 2002 as compared to \$26,866 for the three months ended January 31, 2001.

Selling and general and administrative expenses for the three months ended January 31, 2002 were \$34,774 as compared to \$55,334 for the three months ended January 31, 2001.

LIQUIDITY AND CAPITAL RESOURCES

For the three months ended January 31, 2002, we had net cash used in operating activities of \$29,061 as compared to \$39,994 for the three months ended January 31, 2001.

Cash used in investment activities for the three months ended January 31, 2002 was \$0 as compared to \$3,062 for the three months ended January 31, 2001.

Cash provided by financing activities for the three months ended January 31, 2002 was (\$219) as compared to \$253,504 for the three months ended January 31, 2001.

At January 31, 2002, we had cash in the amount of \$4,604 as compared to \$33,884 at November 1, 2001.

We believe that our current cash will be sufficient to meet our anticipated cash

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needs for working capital and capital expenditures for at least the next twelve months. If cash generated from operations is insufficient to satisfy liquidity requirements, we may seek to sell additional equity or debt securities or to obtain a credit facility. If we issue debt securities, fixed obligations will increase and we may have to comply with covenants that might inhibit our operations. Moreover, such financing may not be available in amounts or on terms acceptable to us, if at all.

9

PART II OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

None.

(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the quarter ended January 31, 2002.

10

SIGNATURES

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

TDT DEVELOPMENT, INC.
(Registrant)

Date: May 8, 2002

By: /s/ Pietro Bortolatti

Pietro Bortolatti, CEO, CFO, President,
and Chairman of the Board

11