

KORE NUTRITION, INC.
Form 10-Q
August 19, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2009

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

For the transition period from _____ To _____

Commission file number 333-153243

Kore Nutrition, Inc.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

N/A
(I.R.S. Employer Identification No.)

Suite 200, 736 Granville Street
Vancouver, BC V6Z 1G3
(Address of principal executive offices)

(604) 685 6472
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (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 require 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 a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Edgar Filing: KORE NUTRITION, INC. - Form 10-Q

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

As of August 17, 2009 the registrant's outstanding common stock consisted of 14,294,490 shares.

Table of Contents

<u>PART I – FINANCIAL INFORMATION</u>	<u>3</u>
<u>ITEM 2.</u> <u>MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL</u> <u>CONDITION/ PLAN OF OPERATIONS</u>	<u>4</u>
<u>ITEM 4.</u> <u>CONTROL AND PROCEDURES</u>	<u>8</u>
<u>PART II – OTHER INFORMATION</u>	<u>9</u>
<u>ITEM 1.</u> <u>LEGAL PROCEEDINGS</u>	<u>9</u>
<u>ITEM 2.</u> <u>UNREGISTERED SALES OF EQUITY SECURITIES</u>	<u>9</u>
<u>ITEM 3.</u> <u>DEFAULTS UPON SENIOR SECURITIES</u>	<u>9</u>
<u>ITEM 4.</u> <u>SUBMISSION OF MATTERS TO A VOTE SECURITY HOLDERS</u>	<u>9</u>
<u>ITEM 5.</u> <u>OTHER INFORMATION</u>	<u>9</u>
<u>ITEM 6.</u> <u>EXHIBITS</u>	<u>9</u>

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The unaudited interim consolidated financial statements of Kore Nutrition, Inc. (the “Company”, “Kore”, “we”, “our”, “us”) follow. All currency references in this report are in US dollars unless otherwise noted.

Kore Nutrition, Inc.
(A Development Stage Company)
June 30, 2009
(unaudited)

	Index
Balance Sheets	F-1
Statements of Operations	F-2
Statements of Cash Flows	F-3
Notes to the Financial Statements	F-4

KORE NUTRITION, INC.
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEETS

	June 30, 2009 (unaudited)	December 31, 2008
ASSETS		
Current assets		
Cash	\$-	\$1,518
Accounts receivable, net of allowance of \$0	-	218
Inventory	1,895	1,895
Total current assets	1,895	3,631
Total assets	\$1,895	\$3,631
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Accounts payable and accrued liabilities	19,246	14,580
Accrued salaries and expense reimbursement – related parties – Note 5	91,735	55,884
Short term related party loan- Note 4	25,626	25,844
Loans from shareholders-Note 3	27,811	12,985
Total current liabilities	164,418	109,293
Total liabilities	164,418	109,293
STOCKHOLDERS' DEFICIT:		
Common stock, \$.001 par value, 50,000,000 shares authorized, 14,294,490 issued and outstanding as of , June 30, 2009 and December 31, 2008	14,295	14,295
Additional paid in capital	140,680	140,680
Deficit accumulated during the development stage	(317,498)	(260,637)
Total stockholders' deficit	(162,523)	(105,662)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$1,895	\$3,631

See accompanying summary of accounting policies and notes to financial statements.

KORE NUTRITION, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008	October 13, 2006 (Inception) through June 30, 2009
Revenue:					
Sales	\$-	\$1,466	\$-	\$5,271	\$12,525
Cost of goods sold	-	1,267	-	4,547	10,578
Gross profit	-	199	-	724	1,947
Operating expenses:					
General and administrative expenses	11,904	9,474	21,011	34,728	116,880
Compensation	17,925	18,750	35,850	37,500	202,565
Total operating expenses	29,829	28,224	56,861	72,228	319,445
Net loss	\$(29,829)	\$(28,025)	\$(56,861)	\$(71,504)	\$(317,498)
Net loss per share:					
Basic and diluted	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)	
Weighted average shares outstanding:					
Basic and diluted	14,294,490	12,646,138	14,294,490	11,794,490	

See accompanying summary of accounting policies and notes to financial statements.

KORE NUTRITION, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008	October 13, 2006 (Inception) through June 30, 2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$ (56,861)	\$ (71,504)	\$ (317,498)
Adjustments to reconcile net loss to cash used by operating activities:			
Stock issued for services	-	-	6,000
Change in non-cash working capital item related to operations			
Accounts receivable	218	2,229	-
Accounts payable and accrued liabilities	4,666	8,674	19,246
Accrued salaries and expense reimbursements-related parties	35,851	37,500	197,985
Inventory	-	(688)	(1,895)
CASH FLOWS USED BY OPERATING ACTIVITIES	(16,126)	(23,789)	(96,162)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sale of common stock	-	-	42,725
Short term related party loan	(218)	-	25,626
Loans from shareholders	14,826	4,002	27,811
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	14,608	4,002	96,162
NET DECREASE IN CASH	(1,518)	(19,787)	-
Cash, beginning of period	1,518	22,737	-
Cash, end of period	\$ -	\$ 2,950	\$ -
SUPPLEMENTAL CASH FLOW INFORMATION			
Interest paid	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -
NON CASH TRANSACTIONS			
Shares issued in settlement of debt	\$ -	\$ 106,250	\$ 106,250

See accompanying summary of accounting policies and notes to financial statements.

KORE NUTRITION, INC.
A DEVELOPMENT STAGE COMPANY)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
June 30, 2009
(unaudited)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Kore Nutrition Incorporated (the "Company" or "Kore") have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's filing with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year December 31, 2008 as reported in Form 10-K, have been omitted.

NOTE 2 - GOING CONCERN

Kore has recurring losses and has a deficit accumulated during the development stage of \$317,498 as of June 30, 2009. Kore's financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. Without realization of additional capital and achievement of profitable operations, Kore may be unlikely to continue as a going concern. Kore's management plans on raising cash from public or private debt or equity financing, on an as needed basis. Kore's ability to continue as a going concern is dependent on these additional cash financings, and, ultimately, upon achieving profitable operations through the development of mineral interests.

NOTE 3 – LOANS FROM SHAREHOLDERS

The amounts due to shareholders are non-interest bearing and have no specified terms of repayment.

NOTE 4 – SHORT TERM LOAN-RELATED PARTY

The short term loan payable bears interest at 6% per annum and has no specified terms of repayment.

NOTE 5 – RELATED PARTY TRANSACTIONS

The founding shareholder has agreed to advance Kore monies until an offering is completed.

In November 2006 the Company entered into two employment agreements with the directors of the Company. The agreements expire in October 2008 but will continue on a month to month basis on the same terms. The directors will be compensated \$50,000 and \$25,000 per year, respectively. On April 30, 2008, Kore issued 5,000,000 shares of common stock to officers as settlement for unpaid salaries of \$106,250 (salaries earned through March 2008).

Kore neither owns nor leases any real or personal property, an officer has provided office services without charge. Such costs are immaterial to the financial statements and accordingly are not reflected herein. The officers

and directors are involved in other business activities and most likely will become involved in other business activities in the future.

F-4

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

Forward Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology including "could", "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential" and the negative of these terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested in this report.

Business Overview

Kore Nutrition, Inc. ("Kore", "we" or "our") is a for-profit Nevada Corporation formed on October 13, 2006, and registered as an extra-provincial corporation in the province of British Columbia, Canada on January 3, 2007. We are a development stage company whose goal is to develop a brand and line of healthy packaged snacks. Our business model focuses on developing niche snack products to cater to a broad spectrum of health conscious consumers. We do not have any subsidiaries. Our principal office is located at 200-736, Granville St., Vancouver, BC V6Z 1G3. Our telephone number is (604) 662-3910. Our fiscal year end is December 31.

Uncertainties

Our most advanced products are at the development stage and there is no assurance that any of our products will be commercially viable. To date, our only sales have been derived from the re-sale of products produced by third parties, which we have undertaken to secure retail channels for the products that we intend to self-produce and distribute. However, we will require additional financing in order to pursue production and distribution of our products. We do not presently have sufficient financing to undertake production and distribution of our products and there is no assurance that we will be able to obtain the financing necessary to do so. If we are successful in producing and distributing our products, there is no assurance that they will be successful in the marketplace or that we will we derive adequate revenues from their sale to offset or exceed our production and distribution costs.

Results of Operations

We have incurred losses since our inception. We rely upon the sale of our securities and shareholder loans to fund our operations. We have generated limited revenues of \$12,525 from the sale of products from October 13, 2006 (Date of Inception) to June 30, 2009. To date, our sales have been derived from the re-sale of products produced by third parties, which we have undertaken to secure retail channels for the products that we intend to self-produce. .

For the three months ended June 30, 2009 we incurred a net loss of \$29,829 compared to our net loss of \$28,025 for the same period in 2008. Our net loss per share was \$0.00 for the three months ended June 30, 2009 and \$0.00 for the same period in 2008

For the six months ended June 30, 2009 we incurred a net loss of \$56,861 compared to our net loss of \$71,504 for the same period in 2008. Our net loss per share was \$0.00 for the six months ended June 30, 2009 and \$0.01 for the same period in 2008.

Our total expenses for the three months ended June 30, 2009 were \$29,829 and consisted of \$11,904 in general and administrative expense and \$17,925 in director compensation expense. By comparison, our total expenses for the three months ended June 30, 2008 were \$28,224 and consisted of \$9,474 in general and administrative expense and \$18,750 in director compensation expense.

Our total expenses for the six months ended June 30, 2009 were \$56,861 and consisted of \$21,011 in general and administrative expense and \$35,850 in director compensation expense. By comparison, our total expenses for the six months ended June 30, 2008 were \$72,228 and consisted of \$34,728 in general and administrative expense and \$37,500 in director compensation expense.

From October 13, 2006 (Date of Inception) through June 30, 2009 we accumulated total expenses of \$317,498 including \$116,880 in general and administrative expense and \$202,565 in director compensation.

Our other general and administrative expenses include professional fees, interest and bank charges, filing fees, and general office expense. Our professional fees are related to our regulatory filings throughout the year.

Liquidity and Capital Resources

As of June 30, 2009 we have no cash, no receivables, and inventory of \$1,895 for total current assets of \$1,895. Our total current liabilities are \$164,418 and our working capital deficit is \$162,523. Our accumulated deficit from October 13, 2006 (date of inception) to June 30, 2009 was \$317,498.

Since our inception on October 13, 2006 to June 30, 2009 we have raised net proceeds of \$42,725 from the sale of our common stock.

During the six months ended June 30, 2009, we used net cash of \$16,126 in operating activities and received \$14,608 from financing activities. This compares to our net cash of \$23,789 used in operating activities and \$4,002 received from financing activities for the same period in 2008. We did not engage in any investing activities during either period.

From October 13, 2006 (Date of Inception) to June 30, 2009 we used net cash of \$96,162 in operating activities, \$0 in investing activities, and received net cash of \$96,162 from financing activities.

We estimate our planned expenses for the next year (from July 1, 2009) to be approximately \$550,000, as summarized in the table below.

Description	Potential Completion Date	Estimated Expenses (\$)
Product research and development	12 months	20,000
Product Manufacturing and Distribution	12 months	250,000
Develop and launch website	September, 2009	10,000
Market Research and Marketing Expense	12 months	60,000
Employee Compensation	12 months	100,000
Professional fees (legal, accounting and auditing fees)	12 months	90,000
General and administrative expenses	12 months	20,000
Total		550,000

Our general and administrative expenses for the year will consist primarily of transfer agent fees, investor relations expenses, bank and interest charges, and general office expenses. Our professional fees will include accounting, audit and legal fees relating primarily to our regulatory filings and day to day commercial transactions.

As at June 30, 2009, we had no cash in the bank. Based on our planned expenditures, we require additional funds of approximately \$550,000 to proceed with our business plan over the next 12 months. If we secure less than the full amount of financing that we require, we will not be able to carry out our complete business plan and we will be forced to proceed with a scaled back business plan based on our available financial resources.

We anticipate that we will incur substantial losses for the foreseeable future. Even if we carry out our planned business activities this does not guarantee that we will generate future sales or revenues.

Future Financings

We have nominal revenues, have achieved losses since inception, and rely upon the sale of our securities and related party loans to fund operations. We anticipate that we will incur substantial losses for the foreseeable future. Even if we carry out our planned business activities there is no guarantee that we will generate future sales or revenues.

We will require additional financing in order to proceed with our business plan. Although we plan to raise capital through equity or debt financing, debt financing may not prove to be a viable alternative for funding our operations as we do not have tangible assets against which to secure debts. We anticipate that any additional funding will be in the form of equity financing from the sale of our common stock. However, we do not have any financing arranged and we cannot provide any assurance that we will be able to raise sufficient funds from the sale of our common stock to finance our operations or planned exploration activities. In the absence of such financing, we will not be able to purchase non-operated working interests in existing wells or carry out exploration programs on any acquired properties. Even if we are successful in obtaining equity financing to fund our operations and exploration activities, there is no assurance that we will obtain the amount necessary to pursue the advanced exploration of any acquired properties following the completion of preliminary exploration. If we do not continue to obtain financing, we may be forced to abandon our business plan or our property interests.

We also hope to obtain additional financing as part of a merger or acquisition agreement that we are currently negotiating. However, there is no guarantee that we will enter into a definitive merger or acquisition agreement. If we successfully complete a merger or acquisition our capital requirements and business plans may change substantially.

Modifications to our current plans will be based on many factors, including the results of product research and development, the assessment of market research, food production costs, and the amount of available capital. Further, the extent to which we carry out our business plan is dependent upon the amount of financing available to us.

We may also consider entering into joint ventures or other strategic arrangements to provide the required funding to pursue our business plan. If we enter into a joint venture arrangement, we would likely have to assign a percentage of our interest in any revenues or future proprietary products to our joint venture partner(s). The assignment of this interest would be conditional upon the contribution of capital by the joint venture partner(s) to enable the advancement of our business activities. There is no assurance that any third party would enter into a joint venture agreement with us in order to fund our business.

Product Research and Development

We anticipate spending approximately \$20,000 in connection with product research and development activities during the next twelve months. Our ability to pursue further research and development of our products is subject to obtaining additional financing.

Acquisition of Plant and Equipment and Other Assets

We do not anticipate the sale or acquisition of any material properties, plant or equipment during the next twelve months. Any acquisitions are subject to obtaining additional financing.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Inflation

The amounts presented in the financial statements do not provide for the effect of inflation on our operations or financial position. The net operating losses shown would be greater than reported if the effects of inflation were reflected either by charging operations with amounts that represent replacement costs or by using other inflation adjustments.

Audit Committee

The functions of the audit committee are currently carried out by our Board of Directors. Our Board of Directors has determined that we do not have an audit committee financial expert on our Board of Directors carrying out the duties of the audit committee. Our Board of Directors has determined that the cost of hiring a financial expert to act as a director of us and to be a member of the audit committee or otherwise perform audit committee functions outweighs the benefits of having a financial expert on the audit committee.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROL AND PROCEDURES

Disclosure Controls

We maintain disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that the information we are required to disclose in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. We carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the evaluation of these disclosure controls and procedures, and on the material weaknesses in our internal control over financial reporting identified in our Annual Report on Form 10-K for the period ended December 31, 2008, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective.

Changes in internal control

We have not been able to implement any of the recommended changes to control over financial reporting listed in our Annual Report on Form 10-K for the year ended December 31, 2008. As such, there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) promulgated under the Exchange Act) during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Management is not aware of any legal proceedings contemplated by any governmental authority or any other party against us. None of our directors, officers or affiliates: (i) are a party adverse to us in any legal proceedings, or (ii) have an adverse interest to us in any legal proceedings. Management is not aware of any other legal proceedings that have been threatened against us.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibit Exhibit
Number Description

31.1 Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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.

KORE NUTRITION, INC.

Date: August 19, 2009

By: /s/ Deanna Embury
Deanna Embury
President, Principal Executive Officer,
Principal Financial Officer, Director