

Edgar Filing: TDT DEVELOPMENT INC - Form 10QSB

TDT DEVELOPMENT INC  
Form 10QSB  
May 15, 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 March 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 April 18, 2002, the issuer had  
outstanding 8,381,000 shares of Common Stock.

Transitional Small Business Disclosure Format: Yes  No

Edgar Filing: TDT DEVELOPMENT INC - Form 10QSB

TDT DEVELOPMENT, INC.  
MARCH 31, 2002

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 March 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 March 31, 2002.....	5
Statements of Operations for the three month periods ended March 31, 2002 and March 31, 2001.....	6
Statements of Cash Flows for the three month periods ended	

## Edgar Filing: TDT DEVELOPMENT INC - Form 10QSB

March 31, 2002 and March 31, 2001.....	7
Notes to Financial Statements.....	8

4

### Consolidated Balance Sheet

	March 31, 2002 ----- (Unaudited) -----
Assets	
Current assets:	
Cash	\$ 1,053
Accounts receivable, net of allowance for doubtful accounts of \$1,150	24,745
Commissions receivable	7,000
Inventory	42,819
Total current assets	75,617
Fixed assets:	
Office furniture, net of accumulated depreciation of \$ 1,674	2,545
Computers and equipment, net of accumulated depreciation of \$5,117	7,982
Total fixed assets	10,527
Other assets:	
Security deposits	160
Total assets	\$ 86,304
Liabilities and Shareholders' Equity	
Current liabilities:	
Revolving credit line	\$ 6,222
Accounts payable	1,151
Loans payable to shareholders	19,952
Accrued expenses payable	30,999
Total liabilities	58,324
Shareholders' equity:	
Common stock, 50,000,000 shares authorized; 8,381,000 shares issued and outstanding; par value \$.0001	838
Preferred stock, 5,000,000 shares	

Edgar Filing: TDT DEVELOPMENT INC - Form 10QSB

authorized; -0- shares issued and outstanding; par value \$.0001	--
Additional paid in capital	305,707
Retained earnings (deficit)	(278,565)
	-----
Total shareholders' equity	27,980
	-----
 Total liabilities and shareholders' equity	 \$ 86,304
	=====

See accompanying Notes to Consolidated Financial Statements.

5

Consolidated Statements of Operations  
(Unaudited)

	Three Months Ended March 31	
	2002	2001
	-----	
(Unaudited)		
Revenues:		
Net sales	\$ 10,223	\$ 33,644
Cost of sales	5,395	13,857
	-----	-----
Gross profit	4,828	19,787
Commissions	--	--
	-----	-----
Total Revenues	4,828	19,787
	-----	-----
Operating Expenses:		
General and administrative expenses	43,031	21,775
Selling expenses	5,587	17,643
	-----	-----
Total expenses	48,618	39,418
	-----	-----
Other Income and Expenses:		
Miscellaneous income	--	--
Interest income	5	1,371
Interest expense	(498)	(413)
	-----	-----
Total other income and expenses	(493)	958
	-----	-----
Net income (loss)	\$ (44,283)	\$ (18,673)
	=====	=====

Net income (loss) per share:

Edgar Filing: TDT DEVELOPMENT INC - Form 10QSB

Basic	\$ (0.01)	\$ 0.00
	=====	=====
Weighted average common shares used in calculation of net income (loss) per share	8,381,000	8,371,000
	=====	=====

See accompanying Notes to Consolidated Financial Statements.

6

Consolidated Statements of Cash Flows  
(Unaudited)

	Three Months Ended March 31,	
	2002	2001
	-----	-----
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net loss	\$ (44,283)	\$ (18,673)
Adjustments to reconcile net loss to cash used by operating activities:		
Depreciation	865	564
	-----	-----
	(43,418)	(18,109)
(Increase) decrease in accounts receivable	6,778	(2,337)
(Increase) decrease in inventory	4,823	(5,436)
(Increase) in commissions receivable	(7,000)	--
(Decrease) in operating accounts payable	--	(37,323)
Increase (decrease) in accrued expenses	18,416	(3,529)
	-----	-----
Cash used by operating activities	(20,401)	(66,734)
	-----	-----
Cash flows from financing activities:		
Proceeds from stockholders' loans	4,848	--
Proceeds of private placement offering	--	59,000
Revolving credit line borrowings	498	(59)
	-----	-----
Cash provided by financing activities	5,346	58,941
	-----	-----
Increase (decrease) in cash	(15,055)	(7,793)
Cash, beginning of period	16,108	210,359
	-----	-----
Cash, end of period	\$ 1,053	\$ 202,566
	=====	=====
Supplemental cash flow disclosures:		
Cash paid for interest	\$ --	\$ 413
	=====	=====
Cash paid for taxes	\$ --	\$ --
	=====	=====

# Edgar Filing: TDT DEVELOPMENT INC - Form 10QSB

See accompanying Notes to Consolidated Financial Statements.

7

## 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 condensed consolidated financial statements of TDT Development, Inc. have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Item 310(b) of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all normal and recurring adjustments and accruals considered necessary for a fair presentation have been included. Operating results for the three-month period ended March 31, 2002 are not necessarily indicative of the results that may be expected for the year ended December 31, 2002. For further information, refer to the financial statements and footnotes thereto included in the Company's annual shareholders' report incorporated by reference in the Form 10-KSB for the year ended October 31, 2001.

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

### 2. Inventories

Inventories of TDT Development, Inc. are stated at the lower of cost or market. Cost is determined using the first-in first-out (FIFO) method. Inventories consist of the following:

	March 31
	2002
	-----
Finished goods	\$ 42,819
	=====

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.

## Edgar Filing: TDT DEVELOPMENT INC - Form 10QSB

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

### RESULTS OF OPERATIONS

Total revenues for the three months ended March 31, 2002 were \$4,828 as compared to \$19,787 for the three months ended March 31, 2001. Our cost of goods sold for the three months ended March 31, 2002 was \$5,395 as compared to \$13,857 for the three months ended March 31, 2001. Our gross profit on sales was \$4,828 for the three months ended March 31, 2002 as compared to \$19,787 for the three months ended March 31, 2001.

Selling and general and administrative expenses for the three months ended March 31, 2002 were \$48,618 as compared to \$39,418 for the three months ended March 31, 2001.

### LIQUIDITY AND CAPITAL RESOURCES

For the three months ended March 31, 2002, we had net cash used in operating activities of \$(20,401) as compared to \$(66,734) for the three months ended March 31, 2001.

Cash provided by financing activities for the three months ended March 31, 2002 was \$5,346 as compared to \$58,941 for the three months ended March 31, 2001.

At March 31, 2002, we had cash in the amount of \$1,053 as compared to \$202,566 at March 31, 2001.

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

On March 12, 2002 a Form 8-K was filed by the Registrant which disclosed that on March 1, 2002, the Board of Directors of TDT Development, Inc. ("TDT" or the "Company") approved a change of the Company's fiscal year to December 31 from October 31, effective March 1, 2002.

10

### SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant

Edgar Filing: TDT DEVELOPMENT INC - Form 10QSB

caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TDT DEVELOPMENT, INC.  
(Registrant)

Date: May 15, 2002

By: /s/ Pietro Bortolatti

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

11