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BUY IT CHEAP COM INC /DE
Form 10QSB
February 17, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended December 31, 2003

TRANSITION REPORT UNDER SECTION 13 or 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number 000-13337

Buy It Cheap.com, Inc.

(Exact Name of Small Business Issuer as Specified in Its Charter)

Delaware

22-2497491

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

1800 Bloomsbury Avenue, Ocean, NJ 07712

(Address of principal executive offices)

732-922-3355

(Issuer's telephone number)

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

Check whether the issuer (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 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:

9,040,582 shares of Common Stock,
\$.001 par value per share, at February 13, 2004

PART I - FINANCIAL INFORMATION

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Item 1. Financial Statements of Buy It Cheap.com, Inc.

Balance Sheet as of December 31, 2003 and June 30, 2003.

Statements of Loss (unaudited) for the three and six month periods ended December 31, 2003 and 2002 and for the period July 19, 1999 to December 31, 2003.

Statements of Cash Flows (unaudited) for the six months ended December 31, 2003 and 2002 and for the period July 19, 1999 to December 31, 2003.

Notes to Financial Statements

BUY IT CHEAP.COM, INC.
(A Development Stage Company)
Balance Sheets

| | As of | |
|---|-------------------|---------------|
| | December 31, 2003 | June 30, 2003 |
| | (unaudited) | |
| Assets | | |
| Current assets: | | |
| Cash | \$ 192 | \$ 563 |
| Other current assets | 1,000 | 1,000 |
| | ----- | ----- |
| Total current assets | 1,192 | 1,563 |
| | ----- | ----- |
| Property and equipment, net of depreciation | 1,188 | 1,781 |
| | ----- | ----- |
| Total assets | \$ 2,380 | \$ 3,344 |
| | ===== | ===== |
| Liabilities and Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 155,854 | \$ 153,944 |
| Due to officers and directors | 5,559 | 5,559 |
| Convertible note payable | 16,198 | 16,198 |
| Due to stockholder | 26,000 | 20,000 |
| | ----- | ----- |
| Total current liabilities | 203,611 | 195,701 |
| | ----- | ----- |
| Total liabilities | 203,611 | 195,701 |
| | ===== | ===== |

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Stockholders' equity:

| | | |
|--|-----------|-----------|
| Preferred stock - Series C, \$.001 par | | |
| Authorized - 2,000,000 shares | | |
| Issued and outstanding - 10,000 shares | 10 | 10 |
| Common stock - \$.001 par | | |
| Authorized - 20,000,000 shares | | |
| Issued and outstanding - 9,190,802 | | |
| shares issued and 9,040,582 shares | | |
| outstanding | 9,190 | 9,190 |
| Paid in capital | 787,140 | 787,140 |
| Treasury stock | (751,100) | (751,100) |
| Deficit accumulated during | | |
| the development stage | (246,471) | (237,597) |
| | ----- | ----- |
| Total Stockholders' equity | (201,231) | (192,357) |
| | ----- | ----- |
| Total Liabilities and Equity | \$ 2,380 | \$ 3,344 |
| | ===== | ===== |

See Notes to the Financial Statements

BUY IT CHEAP.COM, INC.
(A Development Stage Company)
Statements of Loss
(unaudited)

| | For the three months ended December 31, | | For the six months ended December 31, | | Cumulative for the period July 19, 1999 to December 31, 2003 |
|---|---|------------|---|-------------|---|
| | 2003 | 2002 | 2003 | 2002 | |
| Sales Revenues | \$ - | \$ - | \$ - | \$ - | \$ - |
| Direct operating costs | 416 | 491 | 1,113 | 1,166 | 24,499 |
| General and administrative expenses | 3,437 | 6,995 | 7,762 | 14,847 | 221,972 |
| Total expenses | 3,853 | 7,486 | 8,875 | 16,013 | 246,471 |
| Net loss | \$ (3,853) | \$ (7,486) | \$ (8,875) | \$ (16,013) | \$ (246,471) |
| Weighted average number of shares Outstanding | 9,040,582 | 9,040,582 | 9,040,582 | 9,040,582 | |
| Net loss per share | \$ - | \$ - | \$ - | \$ - | |

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See Notes to Financial Statements

BUY IT CHEAP.COM, INC.
(A Development Stage Company)
Statements of Cash Flows
(Unaudited)

| | For the six months ended December 31, 2003 | 2002 | Cumulative from July 19, 1999 to December 31, 2003 |
|--|---|-------------|--|
| | ----- | | ----- |
| Cash flows from operating activities:- | | | |
| Net loss | \$ (8,875) | \$ (16,013) | \$ (246,471) |
| Adjustments to reconcile net loss to net cash used by operating activities: | | | |
| Depreciation and amortization | 594 | 5,982 | 37,089 |
| Changes in assets and liabilities | | | |
| Other current assets | - | - | (1,000) |
| Accounts payable | 1,910 | (6,572) | 20,922 |
| | ----- | | ----- |
| Net cash used by operating activities | (6,371) | (16,603) | (189,460) |
| | ----- | | ----- |
| Cash flows from investing activities | | | |
| Purchase of property and equipment | - | - | (23,275) |
| Cash acquired | - | - | 1,927 |
| | ----- | | ----- |
| | - | - | (21,348) |
| | ----- | | ----- |
| Cash flows from financing activities: | | | |
| Sale of Common stock | - | - | 185,000 |
| Loan from stockholder | 6,000 | 20,000 | 26,000 |
| | ----- | | ----- |
| | 6,000 | 20,000 | 211,000 |
| | ----- | | ----- |
| Net increase (decrease) in cash | (371) | 3,397 | 192 |
| Cash at beginning of period | 563 | 6,371 | - |
| | ----- | | ----- |
| Cash at end of period | \$ 192 | \$ 9,768 | \$ 192 |
| | ===== | | ===== |

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SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

| | |
|--|--------------|
| Liabilities assumed in the acquisition of Northeast (USA) Corp. for common stock | \$ (190,957) |
| Accounts payable satisfied by issuance of common stock and convertible note payable | 32,395 |
| Software costs financed by issuance of common stock | 15,000 |
| | ----- |
| | \$ (123,562) |
| | ===== |

See Notes to Financial Statements

Buy It Cheap.com, Inc.
(A Development Stage Company)
Notes to Financial Statements
(Unaudited)

Summary of Significant Accounting Policies

Basis of Presentation

The interim financial statements included in this report have been prepared by Buy It Cheap.com, Inc. (the "Company") without audit in accordance with generally accepted accounting principles and pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial information. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures made are adequate to make the information presented not misleading.

In the opinion of management, the information furnished for the three and six month periods ended December 31, 2003 and 2002 includes all adjustments, consisting solely of normal recurring accruals, necessary for a fair presentation of the financial results for the respective interim periods. The results of operations for the three and six month periods ended December 31, 2003 are not necessarily indicative of the results of operations to be expected for the fiscal year ending June 30, 2004. It is suggested that the interim financial statements be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2003, as filed with the Securities and Exchange Commission on Form 10-KSB.

Net Loss Per Common Share

The weighted average number of common shares outstanding used in computing net loss per common share was 9,040,582 for each of the three and six month periods December 31, 2003 and 2002. The weighted average number of common shares used in computing the net loss per common share does not include any shares issuable upon the assumed conversion of the preferred stock since the effect would be anti-dilutive.

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Due to Stockholder

During the current fiscal year, a stockholder made a \$6,000 advance to the Company. The characterization of the advance and its use by the Company has not yet been determined.

Item 2. Management's Discussion and Analysis or Plan of Operation

The Company entered the Internet retailing business through the formation of a separate entity by two of its directors. The new entity was able to raise limited start-up capital for an Internet retailing business. For accounting purposes, the combination of the two companies was treated as an acquisition of the Company by this new entity. Subsequent to the completion of this acquisition the Company changed its name to Buy It Cheap.com, Inc. and planned to commence an Internet retailing operation under the website "Buyitcheap.com." The Company must still arrange settlement of its liabilities and raise substantial new investment capital in order to effectively develop this business.

Financial and Operating Plan for the Next 12 Months

The Company plans to operate over the next 12 months with little overhead consisting primarily of office rental, transfer agent fees, web hosting and professional fees. No salaries or wages are currently paid. While the Company is currently readying its website, it cannot predict with certainty when the site will be fully operational. Until there is positive cash flow from its Internet business, or the Company is able to raise a substantial amount of new capital, there will be few, if any paid employees. The Company plans that sales transactions, for the most part, will be handled automatically over the Internet requiring little labor or office space requirements. The Company believes it can become a viable business within 12 months of the actual start of operations (subject to the outcome of previously described legal proceedings) if it is able to raise additional capital. The objective of the Company will be to establish the viability necessary to attract substantial new investment capital to expand its business.

DISCLOSURE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-QSB contains forward-looking statements within the meaning of the Private Securities Litigation Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended, that are based on the beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management. The Company desires to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 and is making this cautionary statement in connection with such safe harbor provisions. When used in this Quarterly Report on Form 10-QSB, the words "estimate," "project," "believe," "anticipate," "intend," "expect," "plan," "predict," "may," "should," "will," the negative thereof and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, financial and otherwise, could differ materially from those set forth in or contemplated by the forward-looking statements contained herein. Important factors that could

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contribute to such differences include, but are not limited to, the fact that the Company is in the early stages of developing its Internet retailing business, the Company's dependence on growth of the Internet, rapid technological changes in the market, the effect of substantial competition in the Internet retail market, the effect of changes in governmental regulation of the Internet and the effect of general economic and market conditions. Other factors may be described from time to time in the Company's other filings with the Securities and Exchange Commission, news releases and other communications. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Item 3. Controls and Procedures

Anthony J. Consi, our Chief Executive Officer, and Stephen E. Roman, Jr., our Chief Financial Officer, performed an evaluation of the Company's disclosure controls and procedures as of December 31, 2003. Based on their evaluation, they concluded that the controls and procedures in place are sufficient to assure that material information concerning the Company which could affect the disclosures in the Company's quarterly and annual reports is made known to them by the other officers and employees of the Company, and that the communications occur with promptness sufficient to assure the inclusion of the information in the then-current report.

There have been no significant changes in the Company's internal controls or in other factors that could significantly affect those controls subsequent to the date on which Messrs. Consi and Roman performed their evaluation.

PART II - OTHER INFORMATION

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

(a) Exhibits

- 31. Rule 13a-14(a) Certification
- 32. Rule 13a-14(a) Certification

(b) Current Reports on Form 8-K filed during the quarter ended December 31, 2003

None.

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

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authorized.

BUY IT CHEAP.COM, INC.

Date: February 16, 2004

Signature
Stephen E. Roman, Jr.
Vice President and Principal
Accounting Officer

* * * * *

EXHIBIT 31: Rule 13a-14(a) CERTIFICATION

I, Anthony J. Consi, certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB of Buy It Cheap.com, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the small business issuer and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the small business issuer's internal controls over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that

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has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

Date: February 16, 2004

/s/ Anthony J. Consi

Anthony J. Consi, Chief Executive Officer

I, Stephen E. Roman, Jr. , certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB of Buy It Cheap.com, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the small business issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the small business issuer's disclosure

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controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the small business issuer's internal controls over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

Date: February 16, 2004

/s/ Stephen E. Roman, Jr.

Stephen E. Roman, Jr.,
Chief Financial Officer

* * * * *

EXHIBIT 32: Rule 13a-14(b) CERTIFICATION

The undersigned officers certify that this report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, and that the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Buy It Cheap.com, Inc.

A signed original of this written statement required by Section 906 has been provided to Buy It Cheap.com, Inc. and will be retained by Buy It Cheap.com, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

February 16, 2004

/s/ Anthony J. Consi

Anthony J. Consi
(Chief executive officer)

/s/ Stephen E. Roman, Jr.

Stephen E. Roman, Jr.

(Chief financial officer)