

Edgar Filing: Flooring Zone Inc - Form 10QSB

Flooring Zone Inc
Form 10QSB
May 23, 2007
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended March 31, 2007

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 333-119234

THE FLOORING ZONE, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

3219 Glynn Avenue
Brunswick, Georgia
(Address of principal executive offices)

20-0019425
(I.R.S. Employer
Identification No.)

31520
(Zip Code)

(912) 264-0505

(Registrant's telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for any 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

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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 15, 2007, the registrant had 19,569,750 shares of common stock, par value \$0.001, issued and outstanding.

Transitional small business disclosure format.

Yes No

THE FLOORING ZONE, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Information

The Flooring Zone, Inc.

Condensed Consolidated Balance Sheet

March 31, 2007

(Unaudited)

ASSETS

Current assets:

Cash	\$	4,246
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Accounts receivable, net		37,512
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Inventory		132,801
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Total current assets		174,559
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Property & equipment, net		177,930
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Other assets:

Intangible assets, net		4,823
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Deposits	6,031
Total other assets	10,854
TOTAL ASSETS	\$ 363,343

See accompanying notes to financial statements

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The Flooring Zone, Inc.

Condensed Consolidated Balance Sheet-[continued]

March 31, 2007

(Unaudited)

LIABILITIES AND STOCKHOLDERS DEFICIT

Current liabilities:

Accounts payable	\$ 233,586
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Line of credit-related parties	900,000
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Customer deposits	32,727
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Accrued liabilities	23,732
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Current portion long-term debt	280,556
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Total current liabilities	1,470,601
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Long-term liabilities:

Note payable-related party	1,057,591
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Long-term debt	502,100
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Current portion long-term debt	(280,556)
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Total long-term liabilities	1,279,135
	2,749,736

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Total liabilities

Stockholders deficit:-Note 2

Preferred Stock, 10,000,000 shares authorized \$.001 par value

value: No shares issued and outstanding

Common stock, 100,000,000 shares authorized \$.001 par

value; 19,569,750 shares issued and outstanding 19,570

Additional paid in capital 627,257

Accumulated deficit (3,033,220)

Total stockholders deficit (2,386,393)

TOTAL LIABILITIES AND STOCKHOLDERS DEFICIT \$ 363,343

See accompanying notes to financial statements

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The Flooring Zone, Inc.

Condensed Consolidated Statements of Operations

For the three month periods ended March 31, 2007 and 2006

(Unaudited)

	Three months ended March 31,	
	2007	2006
Revenues:		
Sales		
	\$ 236,558	\$ 509,969
Sales-Related party		
	148,553	111,498
Net revenues		
	385,111	621,467
Less cost of sales		
	231,859	496,711
Gross profit		
	153,252	124,756
General and administrative expenses		
	137,591	192,136
Net income from operations		
	15,661	(67,380)
Other income (expense):		
Interest expense		
	(46,217)	(30,756)
Total other income(expense)		
	(46,217)	(30,756)
Net income before taxes		
	(30,556)	(98,136)
Income taxes		

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Net income

\$ (30,556) \$ (98,136)

Net income(loss) per share-basic and diluted

\$ (0.01) \$ (0.01)

Weighted average shares outstanding- basic and diluted

19,569,750 38,569,750

See accompanying notes to financial statements

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The Flooring Zone, Inc.

Condensed Consolidated Statements of Cash Flows

For the three month periods ended March 31, 2007 and 2006

(Unaudited)

	3/31/2007	3/31/2006
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income (loss)	\$ (30,556)	\$ (98,136)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	7,847	5,957
Decrease (increase) in accounts receivable	16,063	2,795
Decrease (increase) in inventories	23,460	(146,158)
Increase (decrease) in accounts payable	9,213	74,142
Increase (decrease) in bank overdraft	-	6,926
Increase (decrease) in accrued liabilities	6,726	(5,600)
Increase (decrease) in customer deposits	-	(65,560)
Net cash flows from operating activities	32,753	(225,634)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	-	-
Net cash flows from investing activities	-	-