
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT UNDER TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED August 31, 2008**

OR

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

Commission file number 333-150439

CYBER SUPPLY INC.

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation or organization)

151-1201 LaRose Ave.

Toronto, Ontario

Canada M9P 1B3

(Address of principal executive offices, including zip code.)

(866) 534-5869

(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 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 last 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 the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:
6,150,000 as of October 15, 2008.

CYBER SUPPLY INC.

FORM 10-Q
August 31, 2008
INDEX

PART I-- FINANCIAL INFORMATION

Item 1.	<u>Financial Statements</u>
Item 2.	<u>Management's Discussion and Analysis of Financial Condition</u>
Item 3	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
Item 4T.	<u>Control and Procedures</u>

PART II-- OTHER INFORMATION

Item 1	<u>Legal Proceedings</u>
Item 1A	<u>Risk Factors</u>
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
Item 3.	<u>Defaults Upon Senior Securities</u>
Item 4.	<u>Submission of Matters to a Vote of Security Holders</u>
Item 5.	<u>Other Information</u>
Item 6.	<u>Exhibits</u>

SIGNATURE

EXHIBIT INDEX

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Cyber Supply Inc.
(A Development Stage Company)

August 31, 2008

FINANCIAL STATEMENTS

[Balance Sheets \(unaudited\)](#)

F-1

[Statements of Expenses \(unaudited\)](#)

F-2

[Statements of Cash Flows\(unaudited\)](#)

F-3

[NOTES TO THE FINANCIAL STATEMENTS \(unaudited\)](#)

F-4

CYBER SUPPLY INC.
(A Development Stage Company)
BALANCE SHEETS
(unaudited)

	August 31, 2008	February 29, 2008
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ <u>62,801</u>	\$ <u>10,030</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Advances from related party	\$ <u>-</u>	\$ <u>24,990</u>
TOTAL CURRENT LIABILITIES	<u>-</u>	<u>24,990</u>
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, 100,000,000 shares authorized, \$0.00001 par value; none issued and outstanding		
Common stock, 100,000,000 shares authorized, \$0.00001 par value; 6,150,000 and 5,000,000 shares issued and outstanding	61	50
Additional paid-in capital	96,846	-
Deficit accumulated during development stage	(34,106)	(15,010)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	<u>62,801</u>	<u>(14,960)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ <u>62,801</u>	\$ <u>10,030</u>

The accompanying notes are an integral part of these financial statements.

CYBER SUPPLY INC.
(A Development Stage Company)
STATEMENTS OF EXPENSES
(unaudited)

	Three Months Ended August 31,2008	Six Months Ended August 31,2008	Inception (February 12, 2008) through August 31, 2008
EXPENSES			
Consulting	\$ 9,567	\$ 9,610	\$ 9,610
General and administrative	49	486	496
Legal and accounting	2,500	9,000	24,000
	<u> </u>	<u> </u>	<u> </u>
NET LOSS	\$ <u>(12,116)</u>	\$ <u>(19,096)</u>	\$ <u>(34,106)</u>
NET LOSS PER COMMON SHARE, BASIC AND DILUTED	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	
WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED	<u>6,150,000</u>	<u>5,664,185</u>	

The accompanying notes are an integral part of these financial statements.

CYBER SUPPLY INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended August 31, 2008	Inception (February 12, 2008) through August 31, 2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (19,096)	\$ (34,106)
Net cash used in operating activities	<u>(19,096)</u>	<u>(34,106)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of advances from related party, net	(24,990)	-
Proceeds from issuance of common stock, net of issuance costs of \$18,143	96,857	96,907
Net cash provided by financing activities	<u>71,867</u>	<u>96,907</u>
Net change in cash	<u>52,771</u>	<u>62,801</u>
Cash, beginning of period	<u>10,030</u>	<u>-</u>
Cash, end of period	<u>\$ 62,801</u>	<u>\$ 62,801</u>
SUPPLEMENTAL CASHFLOW DISCLOSURES		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

CYBER SUPPLY INC.
(A Development Stage Company)
Notes to the Financial Statements
(Unaudited)

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Cyber Supply Inc., 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, and should be read in conjunction with the audited financial statements and notes thereto contained in Cyber Supply's Annual Report filed with the SEC on Form S-1. In the opinion of management, all adjustments, consisting of normal recurring adjustments and the restatement adjustment (see Note 5), 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 required in Cyber Supply's fiscal 2008 financial statements have been omitted.

NOTE 2. GOING CONCERN

These financial statements have been prepared on a going concern basis, which implies Cyber Supply will continue to meet its obligations and continue its operations for the next fiscal year. Realization value may be substantially different from carrying values as shown and these financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should Cyber Supply be unable to continue as a going concern. As of August 31, 2008, Cyber Supply has not generated revenues and has accumulated losses of \$34,106 since inception. The continuation of Cyber Supply as a going concern is dependent upon the continued financial support from its shareholders, the ability of Cyber Supply to obtain necessary equity financing to continue operations, and the attainment of profitable operations. These factors raise substantial doubt regarding the Cyber Supply's ability to continue as a going concern.

NOTE 3. RELATED PARTY TRANSACTIONS

During the first quarter of fiscal 2009, the company repaid its president and sole director, Ms. Shostak, \$24,990 for advances made to Cyber Supply from the prior year.

NOTE 4. SHAREHOLDERS' EQUITY

During the first quarter of fiscal 2009, Cyber Supply sold 1,150,000 shares of common stock to investors for total proceeds of \$115,000 (net of issuance costs of \$18,143) in our public offering.

CYBER SUPPLY INC.
(A Development Stage Company)
Notes to the Financial Statements
(Unaudited)

NOTE 5. RESTATEMENT

Subsequent to the filing of our Quarterly Report on Form 10-Q for the period ended May 31, 2008, we concluded that based on our review of our expenses, we would need to restate our interim financial statements for the three months ended May 31, 2008. Incremental direct costs totaling \$18,143, comprised primarily of consulting and legal fees, incurred to issue shares (see Note 4) should have been classified as equity and treated as a reduction of the proceeds rather than charged to current operations. The restatement for such amounts reflects our best estimate that should have been recognized in the respective periods. The following tables set forth the effects of the restatement on certain line items within our unaudited statements of expenses and cash flows for the three months ended May 31, 2008 and for the period from inception (February 12, 2008) through May 31, 2008, and balance sheet as of May 31, 2008.

Statement of Expenses changes:

Net loss	Three months ended May 31, 2008	Inception (February 12, 2008) through May 31, 2008
As previously reported	\$25,123	\$40,133
As restated	\$6,980	\$21,990
Basic and diluted loss per common share		
As previously reported	\$0.00	-
As restated	\$0.00	-

Statement of Cash Flows changes:

Net cash used in operating activities

As previously reported	\$25,123	\$40,133
As restated	\$6,980	\$21,990

Net cash provided by financing activities

As previously reported	\$90,010	\$115,050
As restated	\$71,867	\$96,907

CYBER SUPPLY INC.
(A Development Stage Company)
Notes to the Financial Statements
(Unaudited)

Balance Sheet changes:

	May 31, 2008
Stockholders' Equity	
As previously reported	\$74,917
As restated	\$56,774

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

This section of this report includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

We are a start-up stage corporation and have not started operations or generated or realized any revenues from our business operations.

Our auditors have issued a going concern opinion. This means that there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills. This is because we have not generated any revenues and no revenues are anticipated until we complete the development of our website, source out suppliers for products to sell and source out customers to buy our products. Accordingly, we must raise cash from sources other than operations. Our only other source for cash at this time is investments by others in our company. We must raise cash to implement our project and begin our operations.

To meet our need for cash we are attempting to raise money through our public offering. We believe that we will be able to raise enough money through the offering to begin operations but we cannot guarantee that once we begin operations we will stay in business after operations have commenced. If we are unable to secure enough suppliers to provide us with equipment and products at suitably low pricing or enough customers willing to buy the products at higher than the price we have negotiated with our suppliers, we may quickly use up the proceeds from the offering and will need to find alternative sources, like a second public offering, a private placement of securities, or loans from our sole officer or others in order for us to maintain our operations. At the present time, we have not made any arrangements to raise additional cash, other than through our public offering. If we need additional cash and cannot raise it we will either have to suspend operations until we do raise the cash, or cease operations entirely. If we raise the maximum amount, we believe the money will last a year and also provide funds for growth strategy.

If we raise less than the maximum amount and we need more money, we will have to revert to obtaining additional money as described in this paragraph. Other than as described in this paragraph, we have no other financing plans.

Plan of Operation

Upon completion of our public offering, our specific goal is to profitably sell a comprehensive supply of products on our Internet website to the salon industry. We intend to accomplish the foregoing by the following steps.

1. Complete our public offering. We believe that we will raise sufficient capital to begin our operations. We believe this could take up to 180 days. We will not begin operations until we have closed this offering. We intend to concentrate all of our efforts on raising as much capital as we can during this period.

2. After completing the offering, we will immediately begin to establish our office and acquire the equipment we need to begin operations. Establishing our offices will take approximately a week. We have allocated \$15,000 for the initial setup of the office. We do not intend to hire employees. Our sole officer and director will handle our administrative duties.

3. We plan to retain a website developer to create a state-of-the-art website to promote our products. We expect to spend \$15,000 to \$30,000 for the website which will include graphics and links from our site. We also intend to begin sourcing out suppliers to offer their products for sale on our website and/or to provide a direct link from our site to theirs. We intend to locate and negotiate with large industry leaders such as Wella and Redken among others, to offer the best products and pricing on our website. We also intend to locate smaller, new manufacturers to offer their products on a more exclusive basis. In addition to offering an ever-changing and continually growing array of products for sale, the website will also feature industry information that will enhance the operations knowledge of salon owners and operators. We will also source-out and identify salon owners, operators and purchasing agents who may become potential buyers of products from our website. The process of sourcing suppliers and customers may consist of telephone surveys and may contain questions which would determine the marketing approach and acceptability of specific products. It will also involve research into existing databases available via the Internet to target and extract the applicable names and contacts to create our own customized database. We intend to look into the databases of salon schools, hairdressing associates, trade magazines as well as telephone directories. The cost to source and analyze all of the material to identify suitable candidates to develop and maintain the database is estimated to cost up to \$20,000 and could take up to four months.

4. Marketing and advertising will be focused on promoting our website to prospective product manufacturers and salon owners/operators and purchasing agents based on the list of prospects developed from our database and market survey. The advertising campaign may also include the design and printing of various sales material. We intend to market our website through traditional sources such as advertising in trade magazines, fashion magazines, women's magazines, attending conferences and conventions within the beauty/health arena, newspaper advertising, billboards, telephone directories and preparing and sending out flyers and mailers both through the regular mail and via email. Advertising and promotion will be an ongoing effort but the initial cost of developing the campaign is estimated to cost between \$15,000 to \$30,000.

5. Once the website is fully functional and we have located and negotiated agreements with a suitable number of suppliers to offer their products for sale, we intend to hire 1 or 2 part-time salesperson(s) to call on salon owners/operators and purchasing agents to introduce them to our website. The salesperson(s) will also call on various hair salon product manufacturers to continue to source new products to offer for sale.

We anticipate that we will generate revenues as soon as we are able to offer products for sale on our website. This will happen once we negotiated agreements with one or two large manufacturers to offer their products for sale on our website or to enable us to provide a direct link from our website to theirs with a pre-arranged fee structure in place. We expect to be profitable within 12 months of completion of our offering.

We will not be conducting any research. We are not going to buy or sell any plant or significant equipment during the next twelve months.

If we cannot generate sufficient revenues to continue operations, we will suspend or cease operations. If we cease operations, we do not know what we will do and we do not have any plans to do anything else.

Limited operating history; need for additional capital

There is no historical financial information about us upon which to base an evaluation of our performance. We are in a start-up stage operations and have not generated any revenues. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources and possible cost overruns due to price and cost increases in services and products.

To become profitable and competitive, we have to locate and negotiate agreements with manufacturers to offer their products for sale to us at pricing that will enable us to establish and sell the products to our clientele. We are seeking equity financing to provide for the capital required to implement our operations.

We have no assurance that future financing will be available to us on acceptable terms. If financing is not available on satisfactory terms, we may be unable to continue, develop or expand our operations. Equity financing could result in additional dilution to existing shareholders.

Results of operations

From Inception on February 12, 2008 to August 31, 2008

During the period we incorporated the company, hired the attorney, and hired the auditor for the preparation of our registration statement. We have prepared an internal business plan. We have reserved the domain name “www.cybersupplyinc.com.” Our loss since inception is \$34,106 of which \$33,610 is for legal, accounting and consulting fees. We have not started our proposed business operations and will not do so until we have completed our offering. We expect to begin operations 100 days after we complete our offering.

Since inception, we sold 5,000,000 shares of common stock to our sole officer and director for \$50 and 1,150,000 shares to the public investors for \$115,000 (net of issuance costs of \$18,143).

Liquidity and capital resources

As of the date of this report, we have yet to generate any revenues from our business operations.

We issued 5,000,000 shares of common stock pursuant to the exemption from registration contained in Regulation S of the Securities Act of 1933. This was accounted for as a sale of common stock. During the first quarter of fiscal 2009, we sold 1,150,000 shares of common stock at \$0.10 per share for cash proceeds of \$115,000 (net of issuance costs of \$18,143) through the public offering which is still in the process of raising funds.

As of August 31, 2008, our total assets were \$62,801 consisting of cash.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4T. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. We conducted an evaluation under the supervision and with the participation of our Principal Executive Officer and Principal 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 pursuant to Rule 13a-15 of the Exchange Act. Based on this Evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our Disclosure Controls were ineffective as of the end of the period covered by this report.

Changes in Internal Controls

We have also evaluated our internal control for financial reporting, and there have been no significant changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of their last evaluation.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Currently we are not aware of any litigation pending or threatened by or against the Company.

ITEM 1A. RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On March 17, 2008, the SEC declared our Form S-1 registration statement effective (SEC File no. 333-150439) allowing us to sell 1,000,000 shares of common stock minimum, 2,000,000 shares of common stock maximum at an offering price of \$0.10 per share. There was no underwriter involved in our public offering. As of the date of this report, we have raised a total of \$115,000 (net of issuance costs of \$18,143) in our public offering. As of August 31, 2008, the Company has 6,150,000 total shares issued and outstanding. We have used some of the funds raised during the period for operating expenses or issuance costs as follows:

Total raised as of August 31,2008	\$	<u>115,000</u>
Accounting and Legal Fees	\$	19,436
Consulting Fees	\$	17,317
Repayment of Officers Loans	\$	<u>24,990</u>
Total remaining	\$	<u>53,257</u>

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

The following documents are included herein:

Exhibit No. Document Description

- | | |
|------|--|
| 31.1 | Certification of Principal Executive Officer and Principal Financial Officer pursuant Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of Chief Executive Officer and Chief Financial Officer pursuant 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 on this 15th day of October, 2008.

CYBER SUPPLY INC.

BY: MARIA SHOSTAK

Maria Shostak, President, Principal Executive Officer, Treasurer, Principal Financial Officer, Principal Accounting Officer and sole member of the Board of Directors.

EXHIBIT INDEX

Exhibit No.	Document Description
31.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant Section 906 of the Sarbanes-Oxley Act of 2002.