
PART I

ITEM 1. DESCRIPTION OF BUSINESS

Cyttran International, Inc., ("the Company") was organized under the name Cyttran International, Inc. and was formerly in the business of manufacturing and marketing ceramic cutting tools used by industrial manufacturers. The Company sold its assets related to that industry in 1990 and has had no operations since that time.

The Company is currently seeking a business opportunity to merge with or acquire, but to date has not entered into any such business opportunities. There is no assurance that the Company will be successful in any such business opportunity to merge with or acquire.

ITEM 2. DESCRIPTION OF PROPERTY

None

ITEM 3. LEGAL PROCEEDINGS

None

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

None - not applicable

PART II

ITEM 5. MARKET PRICE FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company is not currently trading in any public markets. As of January 14, 2002, there were approximately 242 shareholders of record.

The Company has not declared any cash dividends. The Company has not declared any cash dividends. The Company's Directors have no present intention of declaring any dividends. The Company's Directors have no present intention of declaring any dividends. The Company will retain all earnings, if any, for use in the development and expansion of its business.

/Letterhead/

INDEPENDENT AUDITOR S REPORT

Stockholders and Directors
Cyttran International, Inc.
Salt Lake City, Utah

We have audited the accompanying balance sheet of Cyttran International We have audited the a SeptemberSeptember 30, 2001September 30, 2001 and the related statements of operations, stockholders equity, forfor the year ended September 30, 2001. These financial statements are the responsibilfor the year ended S company s company s management. Ourresponsibility iscompany s management. Our responsibility is to express basedbased on our audit. The financialbased on our audit. The financial statements of Cyttran International, Inc.,bas werewere audited by other auditors whose report dated November 16, 2000, expressed an unqualified opinion on those statements, therefore we offer no opinion on those financial statements.

We conducted our audit in accordWe conducted our audit in accordance with gWe conducted our au standardsstandards require thatstandards require that we plan and perform the audit to obtain reasonable assurance thethe financial statements are free ofthe financial statements are free of material misstatement. An audit include basis,basis, evidence supporting tbasis, evidence supporting thbasis, evidence supporting the amounts and discl includesincludes assessing the accountingincludes assessing the accounting principles used and significant estim asas well asas well as evaluating the overall financial statement presentation. We believeas well as evaluating the ov a reasonable basis for our opinion.

In our opinion, the financial statements referred to aboIn our opinion, the financial statements refer respects,respects, the financial position of Cyttran International,respects, the financial position of Cyttran Internat ofof itsof its operations and cash flows forof its operations and cash flows for the year ended September 30, 2001 in accepted accounting principles.

TheThe accompanying financialThe accompanying financial statements have been prepared assuming that t continuecontinue as a going concern. As discussed in Note 5 tocontinue as a going concern. As discussed in Not littlelittle operating capital and has had only startup operations. These factors raise sublittle operating capital a aboutabout its ability to continue as a going concern. Management's plans in regard to these matters are alsoalso described in Note 5. The financial statements do not include any adjustments thatalso described in Note 5 from the outcome of this uncertainty.

/S/ Bierwolf, Nilson & Associates
Salt Lake City, UT
January 14, 2002

Cyttran International, Inc.
Balance Sheet

ASSETS

	September 30, <u>2001</u>
<u>CURRENT ASSETS</u>	
Cash	\$ <u>640</u>
TOTAL ASSETS	\$ <u><u>640</u></u>

LIABILITIES AND STOCKHOLDERS EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 6,100
Taxes Payable (Note 2)	400
Interest Payable (Note 5)	40
Note Payable (Note 4)	<u>14,478</u>
Total Current Liabilities	21,018

LONG TERM LIABILITIES

Note Payable (Note 5)	<u>2,000</u>
TOTAL LIABILITIES	23,018

STOCKHOLDERS EQUITY (DEFICIT)

Common Stock 50,000,000 shares authorized at \$.01 par value; 7,958,367 shares issued and outstanding	79,583
Capital in Excess of Par Value	864,941
Retained Deficit	<u>(966,902)</u>
Total Stockholders Equity (Deficit)	<u>(22,378)</u>
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY(DEFICIT)	\$ <u><u>640</u></u>

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

Cyttran International, Inc.
Statements of Operations

	For the Year Ended	
	September 30, <u>2001</u>	September 30, <u>2000</u>
<u>REVENUE</u>	\$ -	\$ -
<u>EXPENSES</u>		-
General & Administrative	21,738	-
Interest	<u>40</u>	<u>-</u>
Total Expenses	21,778	-
NET INCOME (LOSS) - Before Taxes	(21,778)	-
Taxes (Note 2)	<u>200</u>	<u>200</u>
<u>INCOME (LOSS)</u>	<u>\$ (21,978)</u>	<u>\$ (200)</u>
Loss Per Common Share	<u>\$ -</u>	<u>\$ -</u>
Weighted Average Outstanding Shares	<u>7,958,367</u>	<u>7,958,367</u>

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

Cyttran International, Inc.
Statements of Stockholders Equity
From September 30, 1998 to September 30, 2001

	Common Shares	Common Stock	Capital In Excess of Par Value	Retained Deficit
Balance, September 30, 1998	7,958,367	79,583	863,441	(944,524)
Contribution to Capital	-	-	1,500	-
Loss for the Year Ended September 30, 1999				(200)
Balance, September 30, 1999	7,958,367	79,583	864,941	(944,724)
Loss for the Year Ended September 30, 2000				(200)
Balance, September 30, 2000	7,958,367	79,583	864,941	(944,924)
Loss for the Year Ended September 30, 2001				(21,978)
Balance, September 30, 2001	<u>7,958,367</u>	<u>\$ 79,583</u>	<u>\$ 864,941</u>	<u>\$ (966,902)</u>

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

Cyttran International, Inc.
Statements of Cash Flows

	For the Year Ended	
	September 30, 2001	September 30, 2000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net (Loss)	\$ (21,978)	\$ (200)
Increase in Accounts Payable	6,100	-
Increase in Interest Payable	40	200
Net Cash Provided by Operating Activities	(15,838)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
	-	-
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Issuance of Note Payable for services	14,478	
Proceeds from Related Note Payable	2,000	-
Net Cash Used by Financing Activities	16,478	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	640	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 640	\$ -
<u>CASH PAID DURING THE PERIOD FOR:</u>		
Interest	\$ -	\$ -
Income Taxes	-	-

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

Cyttran International, Inc.
Notes to the Financial Statements
September 30, 2001

NOTE 3 - USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. In the financial statements, assets, liabilities and earnings involve extensive reliance on management's estimates. Actual results could differ from those estimates.

NOTE 4 - SHORT-TERM NOTE PAYABLE

The Company issued a convertible note payable in the amount of \$14,478. The note is convertible to the Company's common stock at a conversion price of \$1.00 per share, provided, however, such conversion may be made in whole or in part, and the result in the creation of new affiliate status or a group of persons who are affiliates to each other. The note carries an annual interest rate of 8% and is due on demand. Since the note was issued on September 30, 2001, no interest accrued.

NOTE 5 - LONG-TERM NOTE PAYABLE

The Company issued a promissory note in the amount of \$2,000 to the Company. The note carries an interest rate of 8% per annum, effective on the date of issuance. The interest on the note at September 30, 2001 is \$40.

NOTE 6 - GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. The Company does not have significant cash or other material assets, nor does it have revenues sufficient to cover its operating costs and to pay its liabilities as they become due.

NOTE 7 - SUBSEQUENT EVENTS

The 30,000,000 shares of common stock noted as a subsequent event in the report have been rescinded. There was no cash received by the Company for these shares.

The Company's management stated in reports for the quarters ended March 31, and June 30, 2001 that the Company had merged with a Nevada corporation. Since this event was later revoked, the Company's financial statements are prepared on a going concern basis.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The following information is furnished with respect to the following directors and executive officers. There are no family relationships between directors or executive officers. There are no family relationships between directors or executive officers.

Directors and Executive Officers

<u>Name</u>	<u>Age (2001)</u>	<u>Director Since</u>	<u>Position with the Company</u>
Robert Wallace	66	1999	Director/President

Robert Wallace, President and Director, has been an administrator in the Southern California for the system, Mr. Wallace has been involved in several mergers and acquisitions for the system, Mr.

Mr. Wallace has a bachelor's degree in animal psychology from Arizona State University, a master's degree in counseling psychology from USC.

ITEM 10. EXECUTIVE COMPENSATION

Compensation of Executive Officers and Directors

During the current fiscal year, no one in the Company received more than \$60,000 in compensation.

Employment Agreements and Other Compensation Arrangements

There are currently no agreements with members of management as to employment compensation.

Compensation of Non-Employee Directors

There is currently no compensation paid to non-employment directors.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN MANAGERIAL AND SECURITY OWNERSHIP OF CERTAIN MANAGEMENT

<u>Name and Address of Beneficial Owner</u>	<u>Amount and Nature Of Beneficial Ownership</u>	<u>Percent of Class</u>
206 Investors, LLC	4,256,827	53.5%
Robert Wallace (Director)	-	-

Item 12. Certain Relationships and Related Transactions

Other than executive compensation, during the reported year there were no other transactions with management which are to be reported under this Item.

Item 13. Exhibits, and Reports on Form 8-K

None

- b) The Registrant filed no current reports on Form 8-K during the fiscal year ended September 30, 2001.

SIGNATURES

Pursuant to the requirements of Section 13(b)(1) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, authorized.

Cyttran International, Inc.

By:

/s/ Robert Wallace

Dated: January 14, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons of behalf of the Registrant as indicated.

SIGNATURE	TITLE	DATE
<u>/s/ Robert Wallace</u> (Principal Executive and Financial Officer)	President and Director	January 14, 2002