

FORM 10-QSB

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

Quarterly Report Under Section 13 or 15 (d)
Of the Securities Exchange Act of 1934

For Quarter Ended September 30, 2001

Commission File Number 33-26787-D

iBonZai.com, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

87-0403828
(IRS Employer
Identification No.)

6975 South Union Park Center, Suite 600, Midvale, Utah 84047
(Address of principal executive offices)

Registrant's telephone number
including area code (801) 256-9600

Former Address, if changed since last report

Indicate by check mark whether the registrant (1) has filed Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period reports)

Yes No

and (2) has been subject to such filing requirements for the past 90 days.

Yes No

14,282,997
(Number of shares of common stock the registrant had
outstanding as of November 20, 2001)

iBonZai.com, Inc.
(A Development Stage Enterprise)
Consolidated Balance Sheets

	<u>September 30,</u> 2001 (Unaudited)	<u>December 31,</u> 2000
Assets		
<u>Current Assets:</u>		
Receivables	\$ -	\$ 1,305
Inventory	<u>26,553</u>	<u>26,553</u>
Total current assets	<u>26,553</u>	<u>27,858</u>
 <u>Property and Equipment:</u>		
Leasehold improvements	10,234	10,234
Equipment	103,864	103,864
Vehicles	17,929	17,929
Accumulated depreciation	<u>(23,836)</u>	<u>(13,621)</u>
Net property and equipment	<u>108,191</u>	<u>118,406</u>
Total assets	<u>\$ 134,744</u>	<u>\$ 146,264</u>
 Liabilities and Stockholders Equity		
<u>Current Liabilities:</u>		
Accounts payable	\$ 114,511	\$ 111,853
Accrued expenses	348,534	269,624
Cash drawn against future deposits	24,546	24,546
iBonZai bucks	25,519	25,519
Short-term loans	274,775	274,775
Shareholder loans	<u>20,000</u>	<u>20,000</u>
Total current liabilities	<u>807,885</u>	<u>726,317</u>
 <u>Long Term Liabilities:</u>		
Vehicle loan	<u>14,891</u>	<u>14,891</u>
Total long term liabilities	<u>14,891</u>	<u>14,891</u>
Total liabilities	<u>822,776</u>	<u>741,208</u>
 <u>Stockholders s Equity:</u>		
Common stock	14,283	14,175
Contributed Capital	1,016,811	1,016,811
Retained earnings (deficit) accumulated during development stage	<u>(1,719,126)</u>	<u>(1,625,930)</u>
Total equity	<u>(688,632)</u>	<u>(594,944)</u>
Total liabilities and equity	<u>\$ 134,744</u>	<u>\$ 146,264</u>

See accompanying notes to financial statements

iBonZai.com, Inc.
(A Development Stage Enterprise)
Consolidated Statements of Operations
(Unaudited)

	Three Months September 30, 2001	Nine Months September 30, 2001	Since Inception
<u>Revenues</u>			
Sales	\$ -	\$ -	\$ 404,898
	-	-	404,898
<u>Cost of Goods Sold</u>	-	-	258,533
Gross Profit (Loss)	-	-	146,365
<u>Operating Expenses</u>			
General & Administrative	491	49,071	1,777,943
Depreciation & amortization	3,405	6,810	23,836
	3,896	55,881	1,801,779
Net Operating Income (Loss)	(3,896)	(55,881)	(1,655,414)
<u>Other Revenue (Expense)</u>			
Interest	(12,694)	(20,725)	(63,712)
	(12,694)	(20,725)	(63,712)
Net Income	<u>\$ (16,590)</u>	<u>\$ (76,606)</u>	<u>\$ (1,719,126)</u>
Basic and Diluted Income (Loss) per Share	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (0.12)</u>
Common Shares Used in Per Share Calculation	<u>14,282,997</u>	<u>14,282,997</u>	<u>14,282,997</u>

See accompanying notes to financial statements

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iBonZai.com, Inc.
(A Development Stage Enterprise)
Consolidated Statement of Cash Flows
(Unaudited)

	For the Three Months September 30, <u>2001</u>	For the Nine Months September 30, <u>2000</u>	Since <u>Inception</u>
<u>Cash flows from operating activities:</u>			
Net Income (Loss)	\$ (16,590)	\$ (70,606)	\$ (1,719,126)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	3,405	6,810	23,836
Changes in Current Assets and Liabilities:			
(Increase) Decrease in Inventory	-	-	(21,553)
Increase (Decrease) in Accounts Payable	-	-	98,182
Increase (Decrease) in Accrued Expenses	13,185	65,725	296,018
Increase (Decrease) in Bank Overdraft	-	-	24,546
Stock for Services	108	108	108
Increase (Decrease) in Ibonzai Bucks	-	-	25,519
Increase (Decrease) in Short Term Loans	-	-	<u>327,291</u>
 Net Cash Provided (Used) by Operating Activities	 -	 -	 (945,179)
<u>Cash Flows from Investing Activities:</u>			
Capital Expenditures	-	-	(120,290)
Purchase/Reverse Merger	-	-	<u>(9,086)</u>
 Net Cash Provided (Used) by Investing Activities	 -	 -	 (129,376)

Continued

iBonZai.com, Inc.
(A Development Stage Enterprise)
Consolidated Statement of Cash Flows
(Unaudited)

	For the Three Months September 30, 2001	For the Nine Months September 30, 2000	Since Inception
<u>Cash Flows from Financing Activities:</u>			
Proceeds from Long-term Loans	-	-	15,425
Payments on Long-term Loans	-	-	(534)
Proceeds from Issuance of Common Stock	-	-	530,996
Proceeds from Issuance of Convertible Debenture	-	-	250,000
Shareholder Contributions	-	-	249,990
Shareholder Loans	-	-	108,975
Shareholder Loan Repayments	-	-	(98,070)
	<hr/>	<hr/>	<hr/>
Net Cash Provided (Used) from Financing Activities	-	-	(1,056,782)
	<hr/>	<hr/>	<hr/>
Increase (Decrease) in Cash	-	-	(17,773)
Cash at Beginning of Period	-	-	17,773
Cash at End of Period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Noncash Transactions:</u>			
Convert Shareholder Loan to Contributed Capital	\$ -	\$ -	\$ 142,012
Convert Debentures into Common Stock	-	-	250,000
Stock for Services	108	108	108

See accompanying notes to financial statements

iBonZai.com, Inc.
(A Development Stage Enterprise)
Notes to the Financial Statements
September 30, 2001

NOTE 1 - INTERIM FINANCIAL STATEMENTS

Management has elected to omit all of the disclosures for the interim financial statements ended September 30, 2001 but has made all the necessary adjustments to present an accurate financial statements for the three months and the six months presented.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

During 1999 and 2000 iBonZai.com was in the business of developing solutions for Internet Service Provider (ISP) problems. The company provided broadband backhaul technical support to ISPs and worked on developing other markets including affinity groups and the acquisition of small ISPs. As an internet service provider, the company provided versatile, moment-by-moment access to the internet.

The Company has minimized operations in the ISP service industry for other business opportunities to develop, acquire or merge with. There can be no guarantee that the Company will succeed in further development of ISP services, or in developing, acquiring, or merging with other opportunities or entities.

Since the acquisition of Virtual Market Solutions, the Company as a wholly owned company has primarily focused on establishing name recognition, building its primary business as an ISP and expanding its customer base.

Results of Operations

In the period ended September 30, 2001, the Company had no revenues for the quarter compared to a net loss for the year 2000 of \$(1,628,516). In the period ended September 30, 2001, the Company had no revenues for the quarter compared to a net loss for the year 2000 of \$(1,628,516). The Company is currently investigating other business ventures to receive market support, new funding, and improve shareholder value.

Liquidity and Capital Resources

The Company had an accumulated deficit of \$(1,719,126) as of September 30, 2001. The Company has no operating capital to continue the same related businesses.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings	None
Item 2. Changes in Securities	None
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 and Reports on Form 8-K	None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ibonzai.com, INC.

Dated: November 20, 2001

By /s/ Scott R. Hosking
Scot R. Hosinkg
President