

JURAK CORP WORLD WIDE INC
Form 10QSB
October 20, 2004

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 August 31, 2004

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: 333-61801

JURAK CORPORATION WORLD WIDE, INC.
(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction
of incorporation or organization)

88-0407679
(IRS Employer Identification No.)

1181 Grier Drive, Suite C, Las Vegas, NV 89119-3746
(Address of principal executive offices)

(702) 914-9688
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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

31,467,581 Common Shares were outstanding as of October 20, 2004

JURAK CORPORATION WORLD WIDE, INC.

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Part I. FINANCIAL INFORMATION
Item I. FINANCIAL STATEMENTS

JURAK CORPORATION WORLD WIDE, INC.

CONDENSED BALANCE SHEETS

| ASSETS | August 31, 2004 | Restated May 31, 2004 |
|-------------------------------------|--------------------|-----------------------------|
| | (Unaudited) | (Audited) |
| Cash (including savings) | \$ 26,044 | \$ |
| Inventories | 122,789 | 96,149 |
| Prepaid expenses | 16,255 | 156,130 |
| | <hr/> | <hr/> |
| Total current assets | 165,088 | 252,279 |
| Property, plant and equipment - net | 33,147 | 33,441 |

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| | | |
|-----------------|------------|------------|
| Deposits | 9,410 | 25,554 |
| Restricted cash | 35,544 | 35,544 |
| | \$ 243,189 | \$ 346,818 |

LIABILITIES AND STOCKHOLDERS' DEFICIT

| | | |
|--|-----------|-----------|
| Checks issued in excess of bank balance | \$ | \$ 65,736 |
| Current portion of capital lease obligations | 5,236 | 5,156 |
| Accounts payable | 168,899 | 280,816 |
| Accrued compensation | 504,240 | 500,143 |
| Accrued royalties | 448,706 | 400,736 |
| Payable to stockholder, officer | 1,342,534 | 1,324,116 |
| | 2,469,615 | 2,576,703 |
| Total current liabilities | | |
| Capital lease obligation, net of current portion | 8,771 | 10,082 |
| | 2,478,386 | 2,586,785 |
| Total liabilities | | |

STOCKHOLDERS' DEFICIT:

| | | |
|----------------------------|-------------|-------------|
| Common stock | 31,468 | 31,268 |
| Additional paid-in capital | 807,349 | 767,549 |
| Accumulated deficit | (3,074,014) | (3,038,784) |
| | (2,235,197) | (2,239,967) |
| | \$ 243,189 | \$ 346,818 |

Note: The balance sheet at May 31, 2004 has been taken from the audited financial statements at that date, and has been condensed.

See Notes to Condensed Financial Statements.

JURAK CORPORATION WORLD WIDE, INC.

STATEMENTS OF OPERATIONS
(Unaudited)

| | Three Months Ended August 31 | |
|-------|---------------------------------|------------|
| | 2004 | 2003 |
| Sales | \$ 773,459 | \$ 717,874 |

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| | | |
|---|-----------------------------|-----------------------------|
| Cost of sales | 185,364 | 133,393 |
| | <u> </u> | <u> </u> |
| Gross profit | 588,095 | 584,481 |
| Selling, general and administrative expense | 586,893 | 651,538 |
| | <u> </u> | <u> </u> |
| Income (loss) from operations | 1,202 | (67,057) |
| | <u> </u> | <u> </u> |
| Other income (expense): | | |
| Interest income | | 5 |
| Interest expense | (36,432) | (32,570) |
| | <u> </u> | <u> </u> |
| | (36,432) | (32,565) |
| | <u> </u> | <u> </u> |
| Loss before income taxes | (35,230) | (99,622) |
| Income taxes | | |
| | <u> </u> | <u> </u> |
| Net loss | \$ (35,230) | \$ (99,622) |
| | <u> </u> | <u> </u> |
| Loss per common share | \$ (.00) | \$ (.01) |
| | <u> </u> | <u> </u> |
| Loss per common share assuming dilution | \$ (.00) | \$ (.01) |
| | <u> </u> | <u> </u> |
| Weighted average outstanding shares | 31,289,320 | 31,055,500 |
| | <u> </u> | <u> </u> |

See Notes to Condensed Financial Statements.

JURAK CORPORATION WORLD WIDE, INC.

CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

| | Three Months Ended August 31 | |
|---|---------------------------------|-----------------------------|
| | 2004 | 2003 |
| | <u> </u> | <u> </u> |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net loss | \$ (35,230) | \$ (99,622) |
| Depreciation | 3,039 | 1,850 |
| Changes in current assets and liabilities: | | |
| Inventories | (26,640) | 129,057 |
| Prepaid expenses | 139,875 | |
| Accounts payable | (114,205) | (67,496) |
| Accrued compensation and accrued royalties | 52,067 | 43,914 |
| | <u> </u> | <u> </u> |
| Net cash provided by (used in) operating activities | 18,906 | 7,703 |
| | <u> </u> | <u> </u> |

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CASH FLOWS FROM INVESTING ACTIVITIES:

| | | |
|---|---------------|----------------|
| Deposits | 16,144 | |
| Purchase of office equipment | (457) | (1,868) |
| | <u>16,144</u> | <u>(1,868)</u> |
| Net cash provided by (used in) investing activities | 15,687 | (1,868) |
| | <u>15,687</u> | <u>(1,868)</u> |

CASH FLOWS FROM FINANCING AND OTHER ACTIVITIES:

| | | |
|---|------------------|------------------|
| Checks issued in excess of bank balance | (65,736) | |
| Cash received for issuance of common stock | 40,000 | |
| Payments on capital lease obligations | (1,231) | |
| Increase in payable to stockholder, officer | 18,418 | 12,371 |
| | <u>(65,736)</u> | <u>12,371</u> |
| Net cash used in investing and other activities | (8,549) | 12,371 |
| | <u>(8,549)</u> | <u>12,371</u> |
| Net increase in cash | 26,044 | 18,206 |
| Cash and savings: | | |
| Beginning of period | | 13,749 |
| | <u>26,044</u> | <u>13,749</u> |
| End of period | \$ 26,044 | \$ 31,955 |
| | <u>\$ 26,044</u> | <u>\$ 31,955</u> |

See Notes to Condensed Financial Statements.

JURAK CORPORATION WORLD WIDE, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Condensed Financial Statements:

The condensed balance sheet as of August 31, 2004, the statement of operations for the three-month ended August 31, 2004 and 2003, and the condensed statements of cash flows for the three-month periods then ended have been prepared by the Company, without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows at August 31, 2004 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's May 31, 2004 audited financial statements. The results of operations for the period ended August 31, 2004 are not necessarily indicative of the operating results for the full year.

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current quarter financial statements. These reclassifications had no effect on net loss or stockholders' deficit.

Note 2. Inventories:

Inventories consist of the following:

| | <u>August 31, 2004</u> | <u>May 31, 2004</u> |
|----------------|----------------------------|-------------------------|
| Raw materials | \$ 10,274 | \$ 12,181 |
| Finished goods | 112,515 | 83,968 |
| | <u> </u> | <u> </u> |
| Totals | \$ 122,789 | \$ 96,149 |
| | <u> </u> | <u> </u> |

Note 3. Stockholders' Deficit:

During the three months ended August 31, 2004, stockholders' deficit changed for net income of \$79,444.

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JURAK CORPORATION WORLD WIDE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

The Company had an increase in its revenue from sales of its products. There were sales of \$773,459 during the three months ended August 31, 2004, compared to \$717,874 for the same period in 2003. There were cost of sales of \$185,364 in 2004, and cost of sales in 2003 was \$133,393, for a gross profit of \$588,095 in 2004, compared to a gross profit of \$584,481 in 2003. The increase in cost of sales in 2004 came from the introduction of a bottle size for sale, and the cost associated with it, and the production of an advertising video. During the same period the Company expended selling, general, and administrative expenses of \$586,893 in 2004 for a net loss of \$35,230; in 2003 it expended selling, general and administrative expenses of \$651,538 for a net loss of \$99,622. The net loss of \$.0 per share in 2004 and \$(.01) in 2003.

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JURAK CORPORATION WORLD WIDE, INC.

CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) that are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and its President and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and its President and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report, pursuant to Rules 13a-15(b) and 15d-15(b) under the Exchange Act. Based on that evaluation, the Company's Chief Executive Officer and its President and Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this report, were effective in timely alerting them to material information relating to the Company required to be included in the Company's periodic SEC filings.

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There has been no change in the Company's internal control over financial reporting (as defined in Rules 13(a)-15(f) and 15(d)-15(f) under the Exchange Act) during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Not applicable.

ITEM 2. CHANGES IN SECURITIES.

- (a) Not Applicable.
- (b) Not Applicable.
- (c) Not Applicable.
- (d) Not Applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

- (a) Not Applicable.
- (b) Not Applicable.

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

Not Applicable.

ITEM 5. OTHER INFORMATION.

Not Applicable.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

- (a) Exhibits.
 - 31. Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002+
 - 32. Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002+
- (b) Reports on Form 8-K

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The Company has not filed Form 8-K during the quarter ended August 31, 2004.

+ Filed herewith.

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SIGNATURE

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.

JURAK CORPORATION WORLD WIDE, INC.

Date: October 20, 2004

By: /s/ Anthony Carl Jurak

Anthony Carl Jurak
Chairman of the Board and Director
Chief Executive Officer and Chief Financial Officer

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