

JJ&R Ventures, Inc.  
Form 10-K  
March 05, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 10-K**

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the fiscal year ended: December 31, 2008

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File No. 333-143570**

**JJ&R Ventures, INC.**

(Name of small business issuer in its charter)

<b><u>Nevada</u></b>	<b><u>20-8610073</u></b>
(State or other jurisdiction	(I.R.S. Employer Identification
of incorporation or	No.)
organization)	

**251 Jeanell Dr., Suite 3,**

**Carson City, NV 89703**

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(Address of principal executive offices)

Issuer's telephone number: (831) 393-1396

Securities Registered pursuant to Section 12(b) of the Act: **None.**

Securities Registered pursuant to Section 12(g) of the Exchange Act: **None.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

**Note** checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

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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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.  
 .

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 and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company  .

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).  Yes  No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. Our common stock is not traded on any market or listed on any exchange. There was not an active market and no trading volume during fiscal 2008 and there has been no trading volume in 2009, therefore the aggregate market value of the issuer's common stock held by non-affiliates at February 17, 2009 is deemed to be \$-0-.

**Note.** If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided that the assumptions are set forth in this Form.

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY

PROCEEDING DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

<u>Class</u>	<u>Outstanding as of February 17,</u> <u>2009</u>
Common Stock	22,345,500

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1980).

**PART I**

**ITEM 1. BUSINESS.**

**Business Development**

*General*

We were formed as a Nevada corporation on March 2, 2007 as JJ&R Ventures, Inc. We are in the business of developing and marketing educational book series, consisting of books, presentations, and flash cards focusing on healthy nutrition information for children. Our goal is to promote our books and educational materials by also developing educational programs for kids and parents throughout the United States. The educational programs will start with our "What's in My Food?" series designed to help kids to see the value of eating healthy.

*Our business*

JJ&R is in the business of developing children's books, flash cards, and other learning materials on most urgent and popular subjects for sale to the general public.

Initially, we plan on focusing primarily on the subject of healthy eating habits for kids. Childhood obesity is a very hot topic discussed daily in the news media. We believe that our initial product, "What's in My Food?" will attract the attention of parents and early education specialists and will help us enter the competitive market of children's books and educational materials. "What's in My Food" series of books and flash cards address what we believe to be a current gap in health and living section of children's literature and are designed to teach the kids and their parents how to make good choices for healthy living and interactions with others through stories as seen through the eyes of a child. The book is currently designed to be up to 30 pages long, in paper back and in full color. We believe that a competitive bright styling of the book and other related materials will initially appeal to the kids and attract their interest, and will fit in with the standards of most book stores.

Our second line of products, currently under development, is foreign language learning materials. JJ&R is developing foreign language flash cards, printed on a solid gloss paper stock for the durability and ease of use. Parents and early education professionals will be able to introduce young learners to multiple languages through repetitive use of our flash cards, with each card showing a word in English, Spanish and sign language. Each card will also include a picture to visually connect with the word and help the child hold it in the long term memory bank.

Our revenues will be derived from sales of our educational products. We also plan on organizing seminars designed to attract children and their parents and put them in touch with the professionals specializing in the subject matter covered by the seminar. For example, for our "What's in My Food" series seminars, we may invite local pediatricians, nutritionists and diet specialists to give lectures to local kids and their parents on the values of good eating. The seminars will be free to the attendants, but fee-based to the presenters since the seminars will be a valuable way for these professionals to attract new clients. JJ&R will be actively marketing its products both to the attendants and the presenters, providing for a good cross-marketing opportunity. However, since we have no experience in seminar organization, our revenues are difficult to predict from period to period. We intend to target preschools, elementary schools, home school groups & after school programs and need to cultivate a significant base of users in order to generate a ratable flow of sales and revenue. We do not believe that any single customer will be our major revenue stream.

Our reputation and positive feedback is dependent on our ability to meet customers' expectations and delivering informative and quality materials. It is critical that our quality of product meets customers' expectations in order for us to attract repeat business. We intend to demonstrate to our customers that we have quality products and that we keep up with the subjects that are most interesting and current.

The pricing structure of our products may inhibit our ability to be profitable. We have researched the existing market for our products and have made a reasonable estimate with respect to the pricing structure required to attract business. Unfortunately, at this time our management is less experienced in this area than many of our competitors. We may find that while keeping our pricing competitive, we experience more labor hours than our competitors would on a given product, and thus may show less of a profit margin on sales.

### *Our strategy*

Our purpose is to be the leading content developer and distributor of children's books and learning materials in popular areas possibly underserved by the industry. Customer centricity will be a defining value in everything we do. In order to accomplish our purpose, we have implemented a strategy that includes:

Publishing of our existing book and learning materials What's in My Food? series and commencing initial marketing. Once our materials are published we can proceed with the marketing efforts through the self-publishing group, hands-on presentations to schools and other educational facilities, book signings, and the company's website.

Improved subject selection and innovation capabilities. Achieving the necessary steps for us to grow may require significant improvements to our subject selection and innovation structure and external delivery platforms. Once our core business of product marketing is established, we intend to develop enhanced technology platforms capable of streaming video, interactive e-learning, distributed e-learning and Web advertising to complement our basic paper product sales.

Enhanced core offerings. Our overall brand strategy will be redefined and redirected once new subjects become dominating in the media. Currently, we believe that we've identified a major subject on the public's mind, childhood obesity. We believe that as parents strive to keep their children healthy, they will see value in teaching the kids good eating skills instead of just providing the food. JJ&R looks to address the growing market of health oriented parents and to maximize marketing effectiveness by publishing and selling children's books and learning materials on the subject. Further, we intend to develop new interactive and online distributed content for all brands.

Increased lifetime customer value. We also intend to continually enhance the customer experience and increase the lifetime value of each client in order to retain customers, attract new customers and generate additional revenues. We intend to accomplish this in part by offering additional materials and subjects for the customer to choose from, thus encouraging the customer to come back to our line of products when looking for good reading and educational materials for their kids.

### ***Marketing strategy***

Our sales and marketing efforts are focused on strengthening our name and building our reputation as an innovative and quality provider of children's books and learning materials. We intend to establish our initial users via existing relationships that we have and will develop with self-publishing marketing companies, local parents, schools, and other early education professionals.

We will submit a link to our website to other websites offering children's books and learning materials. To improve our chances of attracting repeat customers we are planning on adding new products and coming out with new subjects complimenting our materials.

We believe that initially we will be able to operate at near capacity in the near future from customers that will be referred by our existing contacts.

We believe that our clients will find the values and benefits of our services to be superior to their other options. We plan to provide our customers with:

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Expanded channel reach. Through strategic partnerships, alliances and new business models, we may be able to generate new revenues without incurring significant additional marketing or administrative costs. We intend to identify potential partnerships and alliances that can result in increased revenues. We will research underserved market segments and changes in the children's books market that will provide insights to reach new market segments. We will evaluate complementary business possibilities, including potentially entering whole-sale and commission-based internet marketing venues.

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We also plan to gradually expand our subject offerings and geographical markets. We are currently developing two core educational subjects and learning programs which we will market nationwide through the Internet, but also locally through hands-on presentations and seminars with our test-market being mainly in Northern California. Our seminar attendants will be initially invited to attend free introductory workshops related to a specific educational subject which can be hosted by our President and CEO, also the book author, or a local pediatrician or nutritionist and held at a local school. The subject, date and location of the training session can be advertised in local newspapers, on our Website, through fliers posted at local schools, and through direct mailings to schools and parents. At the free informational workshop, the attendants may purchase our books and reference materials on the subject discussed, and may elect to receive further information about books and learning materials on other subjects we offer.

### ***Competition***

The market for children's books and learning materials is highly competitive. Additionally, since more and more attention is being brought to the subject of childhood obesity, there have been an increasing number of businesses that cater to the same audience as us. We expect that this will continue to be the trend in this product niche. Some of our competitors include DiscoveryToys®, Kazoo Toys, S&S Educational Toys, Teachme2.com, Joonglee.com, as well as others.





Many of these businesses have longer operating histories and significantly greater financial, technical, marketing and managerial resources than we do. There are relatively low barriers to entry into our business. While we regard our educational materials, products and future trademarks as proprietary and rely primarily on federal statutory and common law protections to protect our interests in these materials, some of our proprietary materials may contain commonly used terms and do not afford us significant trademark protection that would preclude or inhibit competitors from designing materials with similar features as our products. We expect that we will continue to face additional competition from new entrants into the market in the future.

Our business is in an evolving industry and we may not be able to keep up with the market for our products. If we do not keep pace with changing trends and customer preferences, our current products may become obsolete or unmarketable.

### ***Governmental Regulation***

Although we intend to comply with all applicable laws and regulations, we cannot assure you that we are in compliance or that we will be able to comply with all future laws and regulations. Additional federal or state legislation, or changes in regulatory implementation, may limit our activities in the future or significantly increase the cost of regulatory compliance. If we fail to comply with applicable laws and regulations, criminal sanctions or civil remedies, including fines, injunctions, or seizures, could be imposed on us. This could have a material adverse effect on our operations.

Several proposals have been made at the U.S. state and local level that would impose additional taxes on the sale of goods and services through the Internet. These proposals, if adopted, could substantially impair the growth of e-commerce, and could diminish our opportunity to derive financial benefit from our activities. In December 2004, the U.S. federal government enacted legislation extending the moratorium on states and other local authorities imposing access or discriminatory taxes on the Internet through November 2007. This moratorium does not prohibit federal, state, or local authorities from collecting taxes on our income or from collecting taxes that are due under existing tax rules. In conjunction with the Streamlined Sales Tax Project, the U.S. Congress continues to consider overriding the Supreme Court's *Quill* decision, which limits the ability of state governments to require sellers outside of their own state to collect and remit sales taxes on goods purchased by in-state residents. An overturning of the *Quill* decision would harm our users and our business.

### ***Current Status***

Our book *What's in My Food* is now in the final stages of editing. We believe we have two endorsements for our book which we anticipate will help in promotion and marketing. The next step will be to initiate promotional set up. We believe it will take a minimum of six months for publication.

***Employees***

At the present time Deborah Flores is our only employee as well as our sole officer and director and a major shareholder. Mrs. Flores will devote such time as required to actively market and further develop our services and software products. At present, we expect Mrs. Flores will devote at least 30 hours per week to our business. We expect to contract the services of a web hosting company and use their central server for our web site needs. We do not anticipate hiring any additional employees until such time as additional staff is required to support our operations.

**Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements or Labor Contracts, Including Duration**

None; not applicable

**Need For Any Government Approval of Principal Products or Services**

None; not applicable

**Effect of Existing or Probable Governmental Regulations on Business**

None; not applicable

**Time Spent During the Last Two Fiscal Years on Research and Development Activities**

None; not applicable

**Costs and Effects of Compliance with Environmental Laws (federal, state and local)**

None; not applicable



**ITEM 1A. RISK FACTORS.**

Not required by smaller reporting companies.

**ITEM 1B. UNRESOLVED STAFF COMMENTS.**

None.

**ITEM 2. PROPERTIES.**

We do not currently own any property. We utilize office space in the residence of our President at no cost. We will not seek independent office space until we pursue a viable business opportunity and recognize income.

**ITEM 3. LEGAL PROCEEDINGS.**

The Company is not the subject of any pending legal proceedings; and to the knowledge of management, no proceedings are presently contemplated against the Company by any federal, state or local governmental agency.

Further, to the knowledge of management, no director or executive officer is party to any action in which any has an interest adverse to the Company.

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

None.

**PART II**

**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.**

**Market Information**

Our common stock is not listed on any exchange or traded on any market. There was not an active market and no trading volume during fiscal 2008 and there has been no trading volume in 2009.

**Holder**s

As of February 17, 2008, there were approximately 40 shareholders of record holding 22,345,500 shares of common stock. The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock.

**Dividends**

We have not paid, nor declared, any cash dividends since our inception and do not intend to declare any such dividends in the foreseeable future. Our ability to pay cash dividends is subject to limitations imposed by Nevada law. Under Nevada law, cash dividends may be paid to the extent that a corporation's assets exceed its liabilities and it is able to pay its debts as they become due in the usual course of business.

**Securities Authorized for Issuance Under Equity Compensation Plans**

None.

**Recent Sales or Purchases of Unregistered Securities**

None.

**ITEM 6. SELECTED FINANCIAL DATA.**

Since we are a smaller reporting company, as defined by SEC regulation, we are not required to provide the information required by this Item.

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

### **FORWARD-LOOKING STATEMENTS**

The statements made below with respect to our outlook for fiscal 2009 and beyond represent forward looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934 and are subject to a number of risks and uncertainties. These include, among other risks and uncertainties, whether we will be able to generate sufficient cash flow from our operations or other sources to fund our working capital needs, maintain existing relationships with our lender, successfully introduce and attain market acceptance of any new products, attract and retain qualified personnel both in our existing markets and in new territories in an extremely competitive environment, and potential obsolescence of our technologies.

In some cases, you can identify forward-looking statements by terms such as may, will, should, could, would, plans, anticipates, believes, estimates, projects, predicts, potential and similar expressions intended to identify forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by such forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date of this report. Except as otherwise required by law, we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this report to reflect any change in our expectations or any change in events, conditions or circumstances on which any of our forward-looking statements are based. We qualify all of our forward-looking statements by these cautionary statements.

### **Results of Operations**

#### **Years Ended December 31, 2008 and December 31, 2007**

We have experienced losses since inception. We did not generate any revenues from operations during the year ended December 31, 2008 or the year ended December 31, 2007. Expenses during the year ended December 31, 2008 were \$49,374 with interest expense of \$465, giving us a net loss of \$49,839 compared to expenses of \$39,827 with interest expense of \$478, for a net loss of \$40,305 for the year ended December 31, 2007. Expenses consisted of general and administrative expenses, office equipment and professional fees.

### **Liquidity and Capital Resources**



At December 31, 2008, we had \$3,784 in available cash on hand and \$31,300 in prepaid inventory for a total of \$35,084 in current assets. We had fixed assets consisting of computer and equipment and software less accumulated depreciation of \$598 for total fixed assets of \$1,395. We had prepaid marketing/publicity in the amount of \$3,409 and \$500 in prepaid fees for a total of \$3,909 in other assets. As of December 31, 2008, our total assets were \$40,388.

We anticipate our expenses for the next twelve months will be approximately \$40,000.

Liabilities consisted of \$890 in accounts payable and a note payable of \$1,391 for total liabilities of \$2,281. During the period ended December 31, 2008, we repaid borrowings from one of our shareholders in the amount of \$3,000 plus interest of \$194. As of December 31, 2008, we have no outstanding related party transactions.

The Company filed a registration statement on Form SB-2 with the Securities and Exchange Commission to register 3,000,000 shares of common stock for sale at a price of \$.10 per share for a total of up to \$300,000. The registration statement was declared effective on June 27, 2007. The Company closed its offering on January 2, 2008 and had raised a total of \$114,550 through the sale of 1,145,500 shares of common stock.

Financial Interpretation No. 48, Accounting for Uncertainty in Income Taxes An Interpretation of FASB Statement No. 109, Statement of Financial Accounting Standards ( SFAS ) No. 141 (revised 2007), Business Combinations, SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51, SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115, SFAS No. 158, Employers Accounting for Defined Benefit Pension and Other Postretirement Plans, SFAS No. 157, Fair Value Measurements, SFAS No. 156, Accounting for Servicing of Financial Assets, SFAS No. 155, Accounting for Certain Hybrid Instruments, and SFAS No. 154, Accounting Changes and Error Corrections a replacement of APB Opinion No. 20 and FASB Statement No. 3, were recently issued. These recently-enacted accounting standards have no current applicability to the Company or their effect on the financial statements would not have been significant.

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our consolidated financial condition, results of operations or liquidity.

### **Need For Additional Financing**

In the past we have relied on advances from our president to cover our operating costs. Management anticipates that it will have sufficient capital to meet our needs through the next 12 months. However, there can be no assurances to that effect.

### **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

Since we have no assets and do not have any investments in eligible portfolio companies there is no quantitative information, as of the end of December 31, 2008, about market risk that has any impact on our present business. Once we begin making investments in eligible portfolio companies there will be market risk sensitive instruments and we will disclose the applicable market risk information at that time.

### **ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.**

The required financial statements are included following the signature page of this Form 10-K.

### **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.**

The Company has had no disagreements with its certified public accountants with respect to accounting practices or procedures or financial disclosure.

### **ITEM 9A(T). CONTROLS AND PROCEDURES.**

*(a) Evaluation of Disclosure Controls and Procedures.* Our management, with the participation of our President, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our President concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective such that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our President, as appropriate to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. We believe our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives and our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective.

*Management's Annual Report on Internal Control over Financial Reporting.* Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes of accounting principles generally accepted in the United States.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives.

Our management, with the participation of the President, evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2008. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control Integrated Framework. Based on this evaluation, our management, with the participation of the President, concluded that, as of December 31, 2008, our internal control over financial reporting was effective.

This annual report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

(b) *Changes in Internal Control over Financial Reporting.* There were no changes in the Company's internal controls over financial reporting, known to the chief executive officer or the chief financial officer, that occurred 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.

#### **ITEM 9B. OTHER INFORMATION**

There are no further disclosures. All information that was required to be disclosed in a Form 8-K during the fourth quarter 2008 has been disclosed.

### **PART III**

#### **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.**

##### **Identification of Directors and Executive Officers**

The following table sets forth the name, age, position and office term of each executive officer and director of the Company.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Director or Officer Since</u>
Deborah Flores	36	President, Secretary, Treasurer and Director	March 2, 2007

All officers hold their positions at the will of the Board of Directors. All directors hold their positions for one year or until their successors are elected and qualified.

Set forth below is certain biographical information regarding the Company's executive officer and director:

**Deborah Flores, President, Secretary, Treasurer and Director.** Mrs. Flores is an owner/operator of Go Espresso, formerly Michael's Cannery Row Deli since November 1993. Go Espresso is an exclusive catering and event vending business providing service in Monterey County, California and surrounding areas.

The Company has no audit committee financial expert, as defined under Section 228.401, serving on its audit committee because it has no audit committee and is not required to have an audit committee because it is not a listed security as defined in Section 240.10A-3.

### **Term of Office**

The term of office of the current directors shall continue until new directors are elected or appointed.

### **Involvement in Certain Legal Proceedings**

During the past five years, no present or former director, person nominated to become a director, executive officer, promoter or control person of the Company:

(1) Was a general partner or executive officer of any business by or against which any bankruptcy petition was filed, whether at the time of such filing or two years prior thereto;

(2) Was convicted in a criminal proceeding or named the subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; and

(4) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described above under this Item, or to be associated with persons engaged in any such activity;



(5) Was found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

### Financial Expert

The Company has no audit committee financial expert, as defined under Section 228.401, serving on its audit committee because it has no audit committee and is not required to have an audit committee because it is not a listed security as defined in Section 240.10A-3.

### Code of Ethics

The Company has adopted a code of ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller. The Company will provide, at no cost, a copy of the Code of Ethics to any shareholder of the Company upon receiving a written request sent to the Company's address shown on Page 1 of this report.

## ITEM 11. EXECUTIVE COMPENSATION

No current or prior officer or director has received any remuneration or compensation from the Company in the past three years, nor has any member of the Company's management been granted any option or stock appreciation right. Accordingly, no tables relating to such items have been included within this Item. None of our employees are subject to a written employment agreement nor has any officer received a cash salary since our founding.

The Summary Compensation Table shows certain compensation information for services rendered in all capacities for the fiscal periods ended December 31, 2008, and 2007. Other than as set forth herein, no executive officer's salary and bonus exceeded \$100,000 in any of the applicable years. The following information includes the dollar value of base salaries, bonus awards, the number of stock options granted and certain other compensation, if any, whether paid or deferred.

#### SUMMARY COMPENSATION TABLE

Name and principal position	Year	Salary (\$)	Bonus (\$)	Stock	Option	Non-	Nonquali-	All Other	Total (\$)
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			Awards	Awards	Equity	Deferred	Compen-		
			(\$)	(\$)	Incentive	Compensation	sation	(\$)	
					Plan	Compensation	Earnings		
					Compensation	Earnings			
					(\$)	(\$)			
Deborah Flores	2008	23,100	-0-	-0-	-0-	-0-	-0-	-0-	23,100
Sole Officer	2007	500	-0-	-0-	-0-	-0-	-0-	-0-	500

### Compensation of Directors

There are no agreements to compensate any of the directors for their services.

Our officers and directors are reimbursed for expenses incurred on our behalf. Our officers and directors will not receive any finder's fee as a result of their efforts to implement the business plan outlined herein. However, our officers and directors anticipate receiving benefits as beneficial shareholders of our common stock.

We have not adopted any retirement, pension, profit sharing, stock option or insurance programs or other similar programs for the benefit of our employees.

### Termination of Employment and Change of Control Arrangement

There are no compensatory plans or arrangements, including payments to be received from the Company, with respect to any former employees, officers or directors which would in any way result in payments to any such person because of his or her resignation, retirement or other termination of such person's employment with the Company or its subsidiaries, or any change in control of the Company, or a change in the person's responsibilities following a change in control of the Company.





**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.**

The following table sets forth as of February 17, 2009, the number and percentage of the 22,345,500 shares of outstanding common stock which, according to the information supplied to the Company, were beneficially owned by (i) each person who is currently a director of the Company, (ii) each executive officer, (iii) all current directors and executive officers of the Company as a group and (iv) each person who, to the knowledge of the Company, is the beneficial owner of more than 5% of the outstanding common stock. Except as otherwise indicated, the persons named in the table have sole voting and dispositive power with respect to all shares beneficially owned, subject to community property laws where applicable.

<b>Title of Class</b>	<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percentage of Class</b>
Common	Deborah Flores (1) 1780 Granada St. Seaside, CA 93955	15,000,000	67.12%
Common	Brittany Grisham 1656 Darwin St. Seaside, CA 93955	2,000,000	8.95%
Common	Anastasiya Kravchenko 1359 Ahlrich Ave. Encinitas, CA 92024	2,100,000	9.39%
Common	Darya Shahvaran 1276 7 <sup>th</sup> Ave. San Francisco, CA 94122	2,100,000	9.39%
Total Officers and Directors As a Group (1 Person)		15,000,000	67.12%

(1) Officer and/or director

There are no contracts or other arrangements that could result in a change of control of the Company.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, DIRECTOR INDEPENDENCE.**

**Transactions with Management and Others**

We utilize office space at the residence of Deborah Flores to conduct our activities at no charge.

**Certain Business Relationships**

None.

**Indebtedness of Management**

None; not applicable.

**Conflicts of Interest**

None of our key personnel is required to commit full time to our affairs and, accordingly, these individuals may have conflicts of interest in allocating management time among their various business activities. In the course of their other business activities, certain key personnel may become aware of investment and business opportunities which may be appropriate for presentation to us, as well as the other entities with which they are affiliated. As such, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented.

Each officer and director is, so long as he is an officer or director, subject to the restriction that all opportunities contemplated by our plan of operation that come to his attention, either in the performance of his duties or in any other manner, will be considered opportunities of, and be made available to us and the companies that he is affiliated with on an equal basis. A breach of this requirement will be a breach of the fiduciary duties of the officer or director. If we or the companies to which the officer or director is affiliated each desire to take advantage of an opportunity, then the applicable officer or director would abstain from negotiating and voting upon the opportunity. However, the officer or director may still take advantage of opportunities if we should decline to do so. Except as set forth above, we have not adopted any other conflict of interest policy in connection with these types of transactions

#### **ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.**

##### **Audit Fee**

The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of JJ&R Ventures, Inc. annual financial statement and review of financial statements included in JJ&R's 10-Q reports and services normally provided by the accountant in connection with statutory and regulatory filings or engagements were \$14,000 for fiscal year ended 2008 and \$10,500 for fiscal year ended 2007.

##### **Audit-Related Fees**

The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of JJ&R's financial statements that are not reported above were \$0 for fiscal year ended 2008 and \$0 for fiscal year ended 2007.

##### **Tax Fees**

The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning were \$575 for fiscal year ended 2008 and \$0 for fiscal year ended 2007.

##### **All Other Fees**

The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported above were \$0 for fiscal year ended 2008 and \$0 for fiscal year ended 2007.

We do not have an audit committee currently serving and as a result our board of directors performs the duties of an audit committee. Our board of directors will evaluate and approve in advance, the scope and cost of the engagement of an auditor before the auditor renders audit and non-audit services. We do not rely on pre-approval policies and procedures.

**PART IV****ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.**

## (a) Exhibits

The Company has adopted a code of ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller. The Company will provide, at no cost, a copy of the Code of Ethics to any shareholder of the Company upon receiving a written request sent to the Company's address shown on Page 1 of this report.

<b><u>Exhibit #</u></b>	<b><u>Description</u></b>	<b><u>Location</u></b>
Exhibit 3(i)	Articles of Incorporation	*
Exhibit 3(ii)	Bylaws	*
Exhibit 31	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Attached
Exhibit 32	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**	Attached

\* Incorporated by reference. Filed as exhibit to SB-2 on June 7, 2007.

\*\* The Exhibit attached to this Form 10-KSB shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to liability under that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

## (b) Reports on Form 8-K

None.

(c) Financial Statement Schedules

None.

**SIGNATURES**

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**JJ&R Ventures, Inc.**

Date: March 5, 2009

/s/ Deborah Flores

Deborah Flores

Chief Executive Officer and

Chief Financial Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 5, 2009

/s/ Deborah Flores

Deborah Flores

Director





**To the Board of Directors and Shareholders**

JJ&R Ventures, Inc.

Seaside, California

**Report of Independent Registered Public Accounting Firm**

I have audited the balance sheet of JJ&R Ventures, Inc. as of December 31, 2008 and 2007 and the related statements of operations, stockholders' equity and cash flows for the years ending December 31, 2008 and 2007. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JJ&R Ventures, Inc as of December 31, 2008 and 2007, the results of operations and its cash flows for the years ending December 31, 2008 and 2007, in conformity with generally accepted accounting principles in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note H to the financial statements, the Company has incurred net losses since inception, which raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

/s/ Hawkins Accounting

Los Angeles, CA

March 3, 2009

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**JJ and R Ventures, Inc.****(A Development Stage Company)****Balance Sheet****December 31, 2008 and 2007**

<u>ASSETS</u>	<b>2,008</b>	<b>2,007</b>
Current assets		
Cash in bank	\$ 3,784	\$ 8,013
Restricted cash	-	106,550
Prepaid inventory	31,300	-
Total current assets	35,084	114,563
Fixed Assets		
Furniture and Equipment		
Computer	1,993	1,993
Accumulated depreciation	(598)	(199)
Total Fixed Assets	1,395	1,794
Other Assets		
Prepaid Marketing/Publicity	3,409	-
Prepaid fees	500	-
Total Other Assets	3,909	-
Total assets	\$ 40,388	\$ 116,357
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable-trade	\$ 890	\$ 22,401
Other payables	-	1,000
Accrued interest	-	149
Proceeds from unissued stock sales	-	114,550
Fees to related party	-	-
Total current liabilities	890	138,100
Notes Payable-computer	1,391	1,862
Notes payable related parties	-	3,000
Total Long-Term Liabilities	1,391	4,862
Total liabilities	2,281	142,962
Shareholders' Equity (deficit)		
Preferred stock, 5,000,000 shares, \$.0001 par value,		

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authorized, 0 outstanding	-	-
Common stock, 200,000,000 shares, \$.0001 par value, authorized, 22,345,500 outstanding	2,235	2,120
Paid in capital	126,015	11,580
Retained deficit	(90,143)	(40,305)
Total shareholders' equity	38,107	(26,605)
Total liabilities and shareholders' equity	\$ 40,388	\$ 116,357

The accompanying notes are an integral part of these financial statements

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**JJ and R Ventures, Inc.****(A Development Stage Company)****Statement of Operations****For the year ended December 31, 2008 and Date of Inception, March 2, 2007 to December 31, 2007**

	<b>2,008</b>	<b>2,007</b>	<b>Deficit Accumulated from Inception</b>
Revenues	\$ -	\$ -	\$ -
Expenses			
Automobile expense	-	57	57
Advertising	1,177	-	1,177
Business license and permits	-	1,035	1,035
Bank charges	358	173	531
Computer and internet expenses	272	371	643
Filing fees	1,992	3,981	5,973
Depreciation Expense	399	199	598
Office supplies	1,002	302	1,304
Professional fees	41,668	31,970	73,638
Telephone expenses	2,506	1,739	4,245
Total expenses	49,374	39,827	89,201
Net loss from operations	(49,374)	(39,827)	(89,201)
Interest Expense	(465)	(478)	(943)
Net income (loss)	(49,839)	(40,305)	(90,144)
Loss per common share	\$ (0)	\$ (0)	\$ (0)
Weighted average of shares outstanding	22,345,500	21,200,000	22,345,500

The accompanying notes are an integral part of these financial statements



**JJ and R Ventures, Inc.**

**(A Development Stage Company)**

**Statement of Shareholders Equity**

**For the year ended December 31, 2008 and Date of Inception, March 2, 2007 to December 31, 2007**

	Common stock		Paid-In	Retained Deficit	
	Shares	Amount	Capital	from Inception	Total
2-Mar-07	21,200,000	\$ 2,120	\$ 11,580	\$ -	\$ 13,700
Net loss for the period	-	-	-	(40,305)	(40,305)
31-Dec-07	21,200,000	\$ 2,120	\$ 11,580	\$ (40,305)	\$ (26,605)
1-Jan-08	21,200,000	\$ 2,120	\$ 11,580	\$ (40,305)	\$ (26,605)
Sale of Stock	1,145,500	115	114,435	-	114,550
Net loss for the period	-	-	-	(49,839)	(49,839)
31-Dec-08	22,345,500	\$ 2,235	\$ 126,015	\$ (90,144)	\$ 38,106

The accompanying notes are an integral part of these financial statements



**JJ and R Ventures, Inc.****(A Development Stage Company)****Statement of Cash Flows****For the year ended December 31, 2008 and Date of Inception, March 2, 2007 to December 31, 2007**

	<b>2008</b>	<b>2007</b>	<b>Accumulated From Inception</b>
<b>CASH FLOWS FROM</b>			
<b>OPERATING ACTIVITIES</b>			
Net income (loss)	\$ (49,839)	\$ (40,305)	\$ (90,144)
Adjustment to reconcile net to net cash provided by operating activities			
Depreciation	399	199	598
Decrease in accounts payable	(22,511)	23,401	890
Decrease in accrued interest	(149)	149	-
Decrease in Loans PY	(471)	1,862	1,391
(Increase) in prepaid inventory	(31,300)	-	(31,300)
(Increase) in prepaid expenses	(3,909)	-	(3,909)
Decrease in cash deposits from stock	106,550	(106,550)	-
<b>NET CASH PROVIDED</b>			
<b>BY OPERATING ACTIVITIES</b>	(1,230)	(121,244)	(122,474)
<b>NET CASH USED IN</b>			
<b>INVESTING ACTIVITIES</b>			
Computer purchase	-	(1,993)	(1,993)
<b>NET CASH REALIZED</b>			
<b>FROM INVESTING ACTIVITIES</b>	-	(1,993)	(1,993)
<b>FINANCING ACTIVITIES</b>			
Proceeds fm unissued stocks sale	(114,550)	114,550	-
Sale of common stock	114,550	13,700	128,250
Related party notes	(3,000)	3,000	-
<b>NET CASH REALIZED</b>			
<b>FROM FINANCING ACTIVITIES</b>	(3,000)	131,250	128,250
<b>INCREASE IN CASH</b>			
<b>AND CASH EQUIVALENTS</b>	(4,230)	8,013	3,784
Cash and cash equivalents			

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at the beginning of the year	8,013	-	-
CASH AND CASH EQUIVALENTS			
AT YEAR END	\$ 3,784	\$ 8,013	\$ 3,784

The accompanying notes are an integral part of these financial statements

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**JJ&R Ventures, Inc.**

(A DEVELOPMENT STAGE COMPANY)

Notes to Financial Statements

December 31, 2008 and 2007

Note A: Summary of Significant Accounting Policies

**Development Stage Company**

JJ&R Ventures, Inc. (the Company) is a development stage company as defined in the Financial Accounting Standards Board No. 7. The Company is devoting substantially all of its present efforts in securing and establishing a new business, and although planned principal operations have commenced, substantial revenues have yet to be realized.

**Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**Cash equivalents**

For the purpose of the statement of cash flows, the company considers all highly liquid debt instruments purchased with the original maturity of three months or less to be cash equivalents.

**Property and equipment**

Property and equipment are stated at cost less accumulated depreciation. Cost includes the price paid to acquire the assets, including interest capitalized during the period and any expenditure that substantially add to the value of or substantially extend the useful life of an existing asset. Maintenance and repairs are charged to operations as incurred.

The Company computes depreciation expense using the straight-line method over the estimated useful lives of the assets, as presented in the table below. The estimated lives of the assets range from three to seven years.

Useful lives in years

Computer Hardware	3-7
Computer Software	3-5
Furniture and Office Equipment	7
Production Equipment	7
Leasehold Improvement	10

### **Income Taxes**

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the recorded book basis and tax basis of assets and liabilities for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settle. Deferred taxes are also recognized for operating losses that are available to offset future taxable income and tax credits that are available to offset future federal income taxes.

### **Earnings Per Share**

Basic earnings per share is computed by dividing the net income available to common stockholders by the weighted average number of common shares outstanding during the period.

## Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements* an amendment of ARB No. 51 ( SFAS No. 160 ). SFAS 160 requires companies with noncontrolling interests to disclose such interests clearly as a portion of equity but separate from the parent's equity. The noncontrolling interest's portion of net income must also be clearly presented on the Income Statement. SFAS 160 is effective for financial statements issued for fiscal years beginning after December 15, 2008 and will be adopted by the Company in the first quarter of fiscal year 2009. The Company does not expect that the adoption of SFAS 160 will have a material impact on its financial position.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities - an amendment of FASB Statement No. 133," as amended and interpreted, which requires enhanced disclosures about an entity's derivative and hedging activities and thereby improves the transparency of financial reporting. Disclosing the fair values of derivative instruments and their gains and losses in a tabular format provides a more complete picture of the location in an entity's financial statements of both the derivative positions existing at period end and the effect of using derivatives during the reporting period. Entities are required to provide enhanced disclosures about: (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. Early adoption is permitted. The Company does not expect that the adoption of SFAS No. 161 will have a material impact on its financial position.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. SFAS No. 162 identifies the sources of accounting principles and provides entities with a framework for selecting the principles used in preparation of financial statements that are presented in conformity with GAAP. The current GAAP hierarchy has been criticized because it is directed to the auditor rather than the entity, it is complex, and it ranks FASB Statements of Financial Accounting Concepts, which are subject to the same level of due process as FASB Statements of Financial Accounting Standards, below industry practices that are widely recognized as generally accepted but that are not subject to due process. The Board believes the GAAP hierarchy should be directed to entities because it is the entity (not its auditors) that is responsible for selecting accounting principles for financial statements that are presented in conformity with GAAP. The adoption of FASB 162 is not expected to have a material impact on the Company's financial position.

In May 2008, the FASB issued SFAS No. 163, *Accounting for Financial Guarantee Insurance Contracts*-an interpretation of FASB Statement No. 60. Diversity exists in practice in accounting for financial guarantee insurance contracts by insurance enterprises under FASB Statement No. 60, *Accounting and Reporting by Insurance Enterprises*. This results in inconsistencies in the recognition and measurement of claim liabilities. This Statement requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. This Statement requires expanded disclosures about financial guarantee insurance contracts. The accounting and disclosure requirements of the Statement will improve the quality of information provided to users of financial statements. The adoption of FASB 163 is not expected to have a material impact on the Company's financial position.

In June 2008, the FASB issued FASB SP EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities." SP EITF 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting, and therefore need to be included in the computation of earnings per share under the two-class method as described in SFAS No. 128, "Earnings per Share." SP EITF 03-6-1 is effective for financial statements issued for fiscal years beginning on or after December 15, 2008 and earlier adoption is prohibited. The Company is required to adopt SP EITF 03-6-1 in the first quarter of 2009 and does not expect SP EITF 03-6-1 to have a material impact on the Company's financial position.

Note B: Background

The Company was incorporated under the laws of the State of Nevada on March 2, 2007. The principal activities of the Company, from the beginning of the development stage, have been organizational matters and the sale of stock. The Company was formed to provide child education services.

Note C: Prepaid Inventory and Marketing

The Company entered into an agreement with Winepress for printing of its first book. The Company also entered into an addendum agreement with Winepress for marketing and publicity for its book. As of December 31, 2008, the Company paid \$31,300 in prepaid inventory for its books and \$3,409 for its marketing and publicity.

Note D: Income taxes

The benefit for income taxes from operations consisted of the following components: current tax benefit of \$31,550 resulting from a net loss before income taxes, and deferred tax expenses of \$31,550 from a valuation allowance recorded against the deferred tax asset resulting from net operating losses. Net operating loss carryforward will expire in 2027.

The valuation allowance will be evaluated at the end of each year, considering positive and negative evidence about whether the asset will be realized. At the time, the allowance will either be increased or reduced; reduction would result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax asset is no longer required.

Note E: Sale of stock

On January 2, 2008, the company received proceeds of its fundraising through 2007. The Company raised \$114,550 from sale of stock to unrelated individuals. The total amount of share issued were 1,145,500.

Note F: Related Party Transactions

During the period ending December 31, 2008, the Company repaid borrowings from one of its shareholders of \$3,000 plus interest of \$194. As of December 31, 2008, the Company has no outstanding related party transactions.

Note G: Note Payable

The Company purchased a computer and financed it for five years at an interest rate of 24.99%. The five year principal payments are as follows:

2009	\$439
2010	\$586
2011	\$366

Note H: Going concern

Since inception, the Company has had net losses from operating activities, which raise substantial doubt about its ability to continue as a going concern.

The Company is actively pursuing its plans for marketing and distributing its children's books.

The Company's ability to continue as a going concern is dependent upon a successful public offering and ultimately achieving profitable operations. There is no assurance that the Company will be successful in its efforts to raise additional proceeds or achieve profitable operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.