

Diamond Ranch Foods, Ltd., NEW
Form 10-K/A
May 05, 2010

**NITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K/A

Amendment No. 1

(Mark One)

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

For the fiscal year ended March 31, 2009

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

Commission File Number 000-51206

DIAMOND RANCH FOODS, LTD.

(Name of small business issuer in its charter)

Nevada

20-1389815

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

355 Food Center Drive B-1, Bronx, NY

10474

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(718) 991-9595**

Securities registered under Section 12(b) of the Exchange Act: **None**

Securities registered under Section 12(g) of the Exchange Act: **Common stock, par value \$0.0001 per share**

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Edgar Filing: Diamond Ranch Foods, Ltd., NEW - Form 10-K/A

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

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the last 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 Regulation 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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

State the 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 May 1, 2009: \$33,911,200.

As of May 1, 2009, the registrant had 10,777,800 outstanding shares of Common Stock.

Documents incorporated by reference: None.

EXPLANATORY NOTE

In response to comments received from the Staff of the Securities and Exchange Commission (*SEC*), we are filing this Form 10K/A (Amendment No. 1) to revise the discussion of Item 1A, Item 7, Item 11, Item 12, and the Financial Statements and Notes for the fiscal years ending March 31, 2009 and 2008.

TABLE OF CONTENTS

	Page
PART I	
Item 1. Business	4
Item 1A. Risk Factors	7
Item 2. Properties	9
Item 3. Legal Proceedings	9
Item 4. Submission of Matter to a Vote of Security Matters	9
PART II	
Item 5.	9

Market for Common Equity, Related Stockholder Matters and Issuer
Purchases of Equity Securities

Item 6.	Selected Financial Data	11
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	11
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	14
Item 8.	Financial Statements and Supplementary Data	14
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	14
Item 9A	Controls and Procedures	14
Item 9B.	Other Information	15
PART III		
Item 10.	Directors, Executive Officers and Corporate Governance	15
Item 11.	Executive Compensation	17
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	17
Item 13.	Certain Relationships and Related Transactions and Director Independence	18
Item 14.	Principal Accountant Fees and Services	18
PART IV		
Item 15.	Exhibits, Financial Statement Schedules	19

PART I

ITEM 1. BUSINESS.

Our company was incorporated, as Jerry's Inc., in the State of Florida on November 30, 1942. Prior to it ceasing its operations in 1998, the company catered airline flights and operated coffee shops, lounges and gift shops at airports and other facilities located in Florida, Alabama and Georgia. The company's airline catering services included the preparation of meals in kitchens located at, or adjacent to, airports and the distribution of meals and beverages for service on commercial airline flights. The company also provided certain ancillary services, including, among others, the preparation of beverage service carts, the unloading and cleaning of plates, utensils and other accessories arriving on incoming aircraft, and the inventory management and storage of airline-owned dining service equipment. After ceasing its operations in 1998, the company remained dormant until March of 2004 when we moved our domicile to Nevada and changed our name to Diamond Ranch Foods, Ltd.

We are engaged in the meat processing and distribution industry. Our operations consist of packing, processing, custom meat cutting, portion controlled meats, private labeling, and distribution of our products to a diversified customer base, including, but not limited to; in-home food service businesses, retailers, hotels, restaurants and institutions, deli and catering operators, and industry suppliers.

We became the distributor and processor of the "All American Hamburger" and other meat products through the acquisition of MBC Foods, Inc., a second-generation family owned business on May 1, 2004.

In addition to servicing our customers with a full line of fresh meats, we also produce private-labeled and "branded" hot dogs and meats for the Hebrew National(R) Deli line in the New York Metropolitan area, as well as private-label Sabrett(R) Hamburgers for Marathon Foods.

HISTORY AND COMPANY DEVELOPMENT

Our company was originally incorporated in the State of Florida in 1942 as Jerry's Inc. where the company catered airline flights and operated coffee shops, lounges and gift shops at airports and other facilities located in Florida, Alabama and Georgia. The company's airline catering services included the preparation of meals in kitchens located at, or adjacent to, airports and the distribution of meals and beverages for service on commercial airline flights. The company also provided certain ancillary services, including, among others, the preparation of beverage service carts, the unloading and cleaning of plates, utensils and other accessories arriving on incoming aircraft, and the inventory management and storage of airline-owned dining service equipment. Jerry's, Inc. ceased its operation in 1998 and remained dormant until March 2004 when we moved our domicile to Nevada and changed our corporate name to Diamond Ranch Foods, Ltd.

On May 1, 2004 we issued 31,607,650 restricted shares of common stock and acquired MBC Foods, Inc. For financial reporting purposes, the transaction was recorded as a reverse merger and shown on the Statement of Stockholders Equity as a net issuance of 25,692,501 shares.

The cash flow from operations is sufficient to fund capital requirements. However, we will seek to raise additional capital through the sale of common stock to fund the expansion of our company. There can be no assurance that we will be successful in raising the capital required and without additional funds we would be unable to expand our plant, acquire other companies, or exponentially increase our sales volume.

PRODUCTS AND SERVICES

We have moved our operations in January 2009 to the Bronx terminal market which is located near our current client base and potential new customers.

Products

We offer the following products, which we can prepare either fresh, frozen, or vacuum-packed:

All-American Hamburger:

We offer a proprietary-formulated hamburger called the All American Hamburger. Sizes range from 2 oz. to 12 oz. and come in round, oval, or square, as well as custom shapes.

Hebrew National(R) Line

Quality hot dogs
Seasoned pastramis
Corned Beef

Fresh Meats

Beef, including steaks, roasts and ribs Poultry
Pork
Veal Cutlets
Lamb
Gourmet cheeses, Oils and other food items

Variety Meats

Frog
Quail, Rabbit
Wild game (venison, boar, duck and more)

Beginning March 1, Full line Fresh Seafood

Custom Cuts and Butchering

Our butchers can process any meats as either traditional cuts or custom orders according to customer specifications. We specialize in timely delivery and service of such custom products, which can include steaks, chops and other meats, with selections from fresh or frozen packaging.

Distribution

Our fleet of refrigerated trucks delivers orders throughout the NY Metropolitan area. We can also ship anywhere from coast to coast via common carrier.

Our delivery truck fleet consists of eight (8) vehicles described as follows:

2006 and 2007 Mitsubishi FE180 Trucks

2004 Mitsubishi FEHD Truck

2002 UD Nissan 1400

Equipment

We lease or own a variety of meat processing equipment, including, but not limited to:

Band Saws

Hamburger Formation Machines

Overwrap Machines

Stainless Steel Tables

Digital Scales

Pallet Jacks

Platform Scales

All of the refrigeration equipment, a combination of approximately 10 compressor units contained within the premises, is owned by the Company.

Safety

In order to meet the public's expectation for safe food produced in a competitive market environment, we safeguard our products to prevent food safety hazards by adhering to the USDA's Hazard Analysis of Critical Control Points (HACCP) system. Through the years, we have attempted to preserve our reputation and branded products by addressing the vital components of meat processing, such as sanitary plant conditions, regulated processing controls, observance of USDA inspections, and constant monitoring of procedures and standards to guarantee that our systems meet the increasing demands of our customers.

COMPETITION

Our competition can be divided into two (2) primary categories. First, there are the large full line foodservice distributors, such as US Foodservice, Sysco Foods, DiCarlo Distributors, Landmark, and J. Kings. Second, there are the smaller independent jobbers.

Our advantages over the large foodservice distributors are as follows:

- 1) We have an USDA inspected facility with daily fresh custom cutting of all meats and daily fresh manufacturing of the All American Burger.
- 2) We make available daily deliveries with less stringent minimum order amounts. Many restaurants in the inner city do not have enough refrigerator or freezer storage space affording them a minimum of 2-3 deliveries per week.
- 3) We have the flexibility within our location for customers to make "last minute" call-in orders for the same day delivery or second same day deliveries for emergency situations. We have no cut-off times.
- 4) We purchase our raw product on a daily basis. This allows us to react much faster to fluctuation in market conditions whereby the larger foodservice houses cannot because of enormous inventories.
- 5) Our overall overhead is lower. The cost of our operations in proportion to our sales volume affords us the ability to be price competitive.

Our advantages over the small independent jobbers are as follows:

- 1) Since we operate an USDA inspected warehouse that enables us to custom cut and manufacture, we have the ability to eliminate the "middle man" in the chain of supply. We benefit with the additional gross profit because we also act as a supplier of our custom cut, manufactured goods to the independent jobber.
- 2) We have a facility to store inventory. This allows us to "buy in" during favorable market conditions and thus, be more price competitive.
- 3) The location of our facility allows us to satisfy last minute and emergency orders. Once the independent jobber vacates the "Meat Market" premises, he is incapable of filling any additional deliveries or providing service to his customers.

4) We have the ability to distribute to large retail accounts based on our USDA Inspection and Product Liability Insurance. We can offer private labeling and custom packaging to any retail chain.

CUSTOMERS

There are no material contracts between the company and any of our customers. We operate an order/invoice method of operations. We have a broad and sizable customer base which does not leave us dependent on any one or even a few customers for revenue. Our largest customer comprises approximately 3.2% of our business, and our second largest comprises approximately 3.0%.

Our customers include:

.

NY Methodist Hospital

.

Madison Square Garden

.

NYU Langone Medial Center

Greenwich Water Club

Wykagyl Country Club

6

ITEM 1A. RISK FACTORS

An investment in our securities is highly speculative, involves a high degree of risk and is suitable only for investors with substantial means who can bear the economic risk of the investment for an indefinite period of time, have no need for liquidity of the investment, and have adequate means of providing for their current needs and contingencies. An investment in the securities should be made only by persons able to bear the risk in the event the investment results in a total loss.

1.) RISK OF LOSS OF INVESTMENT DUE TO HIGHLY COMPETITIVE NATURE OF OUR INDUSTRY.

A majority of the meat packing industry is dominated by four multinational firms. Consolidation and low-cost labor have helped these firms dominate the U.S. industry. Labor cuts by these conglomerates have been due to a decline in unionization and increase in the use of immigrant workers. Potential customers may overlook the Company's products and services because of their inability to institute competitive pricing, availability, and favorable delivery methods as compared to those services provided by the dominant industry players.

2.) RISK OF DEPENDENCE ON KEY PERSONNEL.

The Company is dependent on its present officer and directors, primarily Lou Vucci Jr., Chairman and CEO. The success of the company is dependent on Mr.Vucci and his management team. Should one or more of these individuals cease to be affiliated with the Company before acceptable replacements are found, there could be a material adverse effect on the Company's business and prospects. We depend substantially on the continued services and performance of our senior management and, in particular, their contracts and relationships, especially within the meat, poultry, and food businesses.

3.) RISK OF LOSS OF AVAILABILITY OF RAW MATERIALS.

The success of the business is contingent on a variety of external factors, such as the availability of healthy livestock at reasonable market prices. The possible introduction of disease into the U.S. national cattle herd, whether unintentionally or as a terrorist act, has been a recent consideration by the Department of Homeland Security (DHS). The U.S. slaughters about 35 million head of cattle per year and is the world's largest beef producing country. Should serious disease occur, no matter how dangerous to human health, the results could be catastrophic to the U.S. economy, as well as a possible cessation of business operations for an undetermined period of time.

4.) RISK OF ENVIRONMENTAL CONDITIONS AND BUSINESS CLIMATE.

We are a small to medium-sized processing facility, and we rely on custom manufacturing for area restaurants and growing niche markets of consumers desiring locally-produced foods for revenue. Customers rely on the consistency in both quantity and quality of the company's products and should that diminish in any way, they could seek products from the competition. Such a loss in sales could affect our revenues and our ability to continue operations.

5.) RISK RELATING TO CONTROLLING INTEREST OF INSIDERS/RISK OF NON-INDEPENDENT BOARD OF DIRECTORS

Our Board of Directors is not independent and our Directors and Officers beneficially own approximately 21.3% of our outstanding Common Stock. These insiders will be able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. This concentration of ownership may also cause delay or prevent change in control even if it is beneficial to our shareholders.

6.) RISK OF FUTURE DILUTION

There are 10,777,800 shares of our common stock issued and outstanding as of March 31, 2009. All of our common stock is freely tradable except for shares beneficially owned by our "affiliates." We cannot be sure what effect, if any, future sales of our common stock, whether or not those sales come from the issuance, for sale, of additional shares or from stock owned by affiliates becoming free trading. Shareholders will experience dilution if the acquisition price per share is higher than the net tangible book value per share.

7.) RISKS OF REDUCED LIQUIDITY OF "PENNY STOCKS."

The Securities and Exchange Commission has adopted regulations that generally define a "penny stock" as any equity security that has a market price of less than \$5.00 per share and that is not traded on a national stock exchange, NASDAQ or the NASDAQ National Market System. Now, or sometime in the future, penny stocks could be removed from NASDAQ or the NASDAQ National Market System or the securities may become subject to rules of the Commission that impose additional sales practice requirements on broker-dealers effecting transactions in penny stocks. In most instances, unless the purchaser is either (i) an institutional accredited investor, (ii) the issuer, (iii) a director, officer, general partner or beneficial owner of more than five percent (5 %) of any class of equity security of the issuer of the any stock that is the subject of the transaction, or (iv) an established customer of the broker-dealer, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser's prior written consent to the transaction. Additionally, on any transaction involving a penny stock, the rules of the Commission require, among other things, the delivery, prior to the transaction, of a disclosure schedule prepared by the Commission relating to the penny stock market and the risks associated with investing in penny stocks. The broker dealer also must disclose the commissions payable to both the broker-dealer and registered representative and current quotations for the securities. Finally, among other requirements, monthly statements must be sent to the purchaser of the penny stock disclosing recent price information for the penny stock held in the purchaser's account and information on the limited market in penny stocks. Consequently, the penny stock rules may restrict the ability of broker dealers to sell the securities in any secondary market that may develop.

8.) DOUBT AS TO ABILITY TO CONTINUE AS GOING CONCERN.

Our independent certified public accountant has stated in their report included in this filing that we have suffered recurring losses from operations that raise substantial doubt about our ability to continue as a going concern.

The Company has experienced recurring operating losses and we currently have a working capital deficiency. There is a possibility that our revenues will not be sufficient to meet our operating costs. To date our liabilities have greatly exceeded our current assets. There is a substantial doubt that we can continue as a going concern.

The major part of the Company's liabilities are in the form of loans which were obtained for operating and development purposes. If these loans were not to be renewed the Company would be forced to seek either alternative financing sources, new equity investment, or alternatively sell certain material assets and/or seek reorganization under bankruptcy rules. In the event these loans could not be continued there can be no current assurance of the continued viability of the Company. Additionally, in the event that revenues were to decline below operating cost and such resultant loss exceeded cash and short term receivables there again can be no current assurance of the continued viability of the Company. _

There can be no assurance that we will continue to generate revenues from operations or obtain sufficient capital on acceptable terms, if at all. Failure to obtain such capital or generate such operating revenues would have an adverse impact on our financial position and results of operations and ability to continue as a going concern. Our operating and capital requirements during the next fiscal year and thereafter will vary based on a number of factors, including the level of sales and marketing activities for our services and products. There can be no assurance that additional private or public finances, including debt or equity financing, will be available as needed or, if available, on terms

favorable to us. Any additional equity financing may be dilutive to stockholders and such additional equity securities may have rights, preferences or privileges that are senior to those of our existing common stock.

Furthermore, debt financing, if available, will require payment of interest and may involve restrictive covenants that could impose limitations on our operating flexibility. Our failure to successfully obtain additional future funding may jeopardize our ability to continue our business and operations.

GOVERNMENT APPROVAL & REGULATION

We have filed Grants of Inspection with the U.S. Department of Agriculture and are approved to operate as an USDA certified meat processing establishment. We currently operate as establishment number "EST. 5099" as indicated inside the USDA mark of inspection displayed on all of our processed meat items and establishment number "EST. P-20622" for our processed poultry items. The USDA considers our business a "Small Plant" operation since we employ a staff of 20-500 personnel.

We adhere to the Hazard Analysis and Critical Control Point (HACCP) system established by the USDA and endorsed by the National Academy of Sciences and the National Advisory Committee on Microbiological Criteria for Foods. The HACCP approach is a system of checks and balances that focuses on identifying and preventing hazards from contaminating food, permits more efficient and effective government oversight on establishments and their compliance of food safety laws on a continuing basis, while placing responsibility on the food manufacturer or distributor for ensuring appropriate food safety.

We comply with the USDA Label Regulations on all packages, containers, and boxes used to transport any meat and/or poultry products; including, but not limited to: Product Name, Product Description, Ingredients, and Nutrition Facts Panel.

Furthermore, we must comply with the Standard Sanitation Operational Procedures (SSOP) that we have developed in accordance with the USDA to prevent direct contamination or adulteration of our products. The SSOPs are implemented and maintained on a daily basis and are relevant to the entire establishment and all shifts of operation. The SSOPs are signed and dated by the individual with overall authority on-site or a member of our management team and are verified for adherence by a USDA certified inspector.

We are a federally-recognized establishment, thus, inspections by a USDA certified inspector occur on a daily basis.

We are not subject to inspection by any city or state authority.

EMPLOYEES

We currently have twenty (13) paid full-time employees plus 7 commissioned sales people. We assess employee relations to be exceptional. Mr. Vucci our President, and the rest of the management team, devote one hundred percent (100%) of their professional time to running our company.

FURTHER INFORMATION

As of the effective date of this Registration Statement we will be required to file certain reports with the Securities and Exchange Commission including Annual Reports (Form 10-KSB), Quarterly Reports (Form 10-QSB) and Current Reports (Form 8-K). A copy of our annual report will be provided to all shareholders and will include an audited balance sheet as of the end of the last fiscal year and audited income, cash flow and stockholders equity statements for the last two fiscal years.

Our shareholders and the public in general, may read and copy any materials we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. Additionally, the SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers. The address of that site is <http://www.sec.gov>.

ITEM 2. PROPERTIES.

We sublease our operating facility from a private company on a month-to-month basis for \$9,000 per month. The facility consists of 4,000 sq. ft. with two (2) loading docks on of the plant and a separate poultry section.

ITEM 3. LEGAL PROCEEDINGS

On March 31, 2009, a group of former employees of the company filed an involuntary petition against the company for relief under chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. The company has filed a motion to dismiss the involuntary case on the grounds that the former employees are not holders of claims eligible to commence an involuntary petition under law and that the filing of the involuntary petition was motivated by bad faith. In connection with its motion to dismiss the involuntary case, the company has

asserted claims against the former employees for compensatory and punitive damages. As of the date of this report, no order for relief under the Bankruptcy Code has been entered by the Bankruptcy Court.

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

None/Not applicable.

PART II

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

Shares of the Company's common stock are quoted and traded from time to time on the OTC.BB with the trading symbol "DRFO."

The following table sets forth the high and low bid information for the Company's common stock for each quarter within the two fiscal years. The prices reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

Quarter Ending	Quarterly High	Quarterly Low
3/31/2007	\$348.00	\$160.00
6/30/2007	\$320.00	\$80.00
9/30/2007	\$160.00	\$6.40
12/31/2007	\$80.00	\$22.00
3/31/2008	\$80.00	\$30.00
6/30/2008	\$120.00	\$40.00
9/30/2008	\$70.00	\$1.80
12/31/2008	\$5.25	\$3.25
3/31/2009	\$5.25	\$5.25

Secondary trading of our shares may be subject to certain state imposed restrictions.

The ability of individual shareholders to trade their shares in a particular state may be subject to various rules and regulations of that state. A number of states require that an issuer's securities be registered in their state or appropriately exempted from registration before the securities are permitted to trade in that state.

From time-to-time we may grant options or warrants, or promise registration rights to certain shareholders. We have no control over the number of shares of our common stock that our shareholders sell. The price of our common stock may be adversely affected if large amounts are sold in a short period of time.

Our shares most likely will be subject to the provisions of Section 15(g) and Rule 15g-9 of the Exchange Act, commonly referred to as the "penny stock" rule.

Section 15(g) sets forth certain requirements for transactions in penny stocks and Rule 15g-9(d)(1) incorporates the definition of penny stock as that used in Rule 3a51-1 of the Exchange Act.

The SEC generally defines penny stock to be any equity security that has a market price less than \$5.00 per share, subject to certain exceptions. Rule 3a51-1 provides that any equity security is considered to be a penny stock unless that security is: registered and traded on a national securities exchange meeting specified criteria set by the SEC; authorized for quotation on The NASDAQ Stock Market; issued by a registered investment company; excluded from the definition on the basis of price (at least \$5.00 per share) or the issuer's net tangible assets; or exempted from the definition by the SEC. Broker-dealers who sell penny stocks to persons other than established customers and accredited investors (generally persons with assets in excess of \$1,000,000 or annual income exceeding \$200,000, or \$300,000 together with their spouse), are subject to additional sales practice requirements.

For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of such securities and must have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the rules require the delivery, prior to the first transaction, of a risk disclosure document relating to the penny stock market. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, and current quotations for the securities. Finally, monthly statements must be sent to clients disclosing recent price information for the penny stocks held in the account and information on the limited market in penny stocks. Consequently, these rules may restrict the ability of broker-dealers to trade and/or maintain a market in our common stock and may affect the ability of shareholders to sell their shares.

As of April 23, 2009, there were approximately 540 holders of record of our common stock. This number does not include an indeterminate number of shareholders whose shares are held by brokers in street name.

TRANSFER AGENT

We have appointed Signature Stock Transfer, Inc., with offices at 2301 Ohio Drive, Suite 100, Plano, TX 75093, phone number 972-612-4120, as transfer agent for our shares of common stock. The transfer agent is responsible for all record-keeping and administrative functions in connection with the common shares and stock warrants.

DIVIDEND POLICY

We don't plan to pay dividends at this time or anytime soon. The board of directors will decide on any future payment of dividends, depending on our results of operations, financial condition, capital requirements, and any other relevant factors. However, we expect to use any future earnings for operations and in the business.

RECENT SALES OF UNREGISTERED SECURITIES.

None.

ITEM 6. SELECTED FINANCIAL DATA.

Not Applicable.

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

ANALYSIS OF OPERATIONS: 2009 AND 2008 RESULTS

SALES

Our revenues from operations for the year ended March 31, 2009 were \$6,416,042 compared to \$11,265,457 in 2008 which was generated from the sale of our meat products and services. The decrease was both a result of selling to customers which result in good profit margins as well as a reduction in sales due to the overall economic conditions. The decrease was 43.1% or \$4,849,415.

COST OF SALES AND GROSS PROFIT

Our cost of sales for the year ended March 31, 2009 was \$4,810,547, generating a gross profit of \$1,605,495 or (23.91%).

Our gross profit has increased from 1.54% from the prior year ended March 31, 2008. Management expects gross profits to increase as revenues increase and the cost of sales decrease. The decrease in costs can be attributed to many factors, including, but not limited to better purchasing methods, better mix of product sales generating higher profits and better management control.

We have operated on the same margins with no changes in the types of products sold or services provided from one period to the next. We attribute our growth to new customers and sales accounts and a higher volume of products being sold through these means. The addition to our customer base was achieved by increased sales efforts made by our management team through standard marketing procedures, such as in-person sales visits and demonstrations and "warm" referrals through existing clientele. Increases in revenue can also be attributed to existing clients, who are responsible for managing multiple hotel and restaurant chains.

GENERAL AND ADMINISTRATIVE

Our payroll expenses for the year ended March 31, 2009 was \$691,376, which was a decrease of \$309,726 over the amount of \$1,001,102 for the year ended March 31, 2008. This decrease is attributable to a reduction in two officers as well as a reduction in staffing.

Our factoring expense for the year ended March 31, 2009 was \$85,554, which was a decrease of \$105,950 from the amount of \$191,504 for the year ended March 31, 2008. This decrease is mainly attributable to the change in factoring companies and overall reduction in receivables. .

Our rent expense for the year ended March 31, 2009 was \$186,952 which was a decrease of \$26,975 over the year ended March 31, 2008. The main reason for the decrease was a reduction in truck rentals.

Our Sales Commission for the year ended March 31, 2009 was \$193,325, which was a decrease of \$174,005 over the amount for the year ended March 31, 2008. This decrease is attributable to less sales volume.

General and Administrative costs decreased to \$1,132,046 from \$1,048,542 or \$83,504 mainly due to increases in maintenance, utilities and consulting.

NET LOSS FROM OPERATIONS

The Company's loss from operations increased to \$723,937 from \$374,278 or \$349,659 mainly due to the significant decrease in sales which could not be offset by better margins and reduction in costs.

PLAN OF OPERATION

For the next twelve months we plan to operate the business using our current methods, which include borrowing and factoring. We are able to satisfy our cash requirements, material commitments, and applicable filing fees anticipated under our obligations of the Exchange Act.

We intend to continue using an invoice factoring company in the short-term and over the next 12 months to fund our accounts receivable. We expect to finalize an agreement with a purchasing agent which would provide better terms for purchasing of our goods which could substantially effect our gross profit in a positive way, enabling us to become profitable.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2009, the Company had negative working capital of \$3,352,509. The Company's continued existence is dependent upon its ability to execute its operating plan, and to obtain additional debt or equity financing. There can be no assurance the necessary debt or equity financing will be available, or will be available on terms acceptable to the Company.

Management plans include acquiring existing businesses in our industry, evaluating and introducing new product lines, and obtaining financing to provide working capital. We are actively pursuing alternatives, although no firm commitments have been obtained. In the interim, shareholders have committed to meeting our operating expenses. Although management believes these efforts will be successful, there is no assurance any of these efforts will succeed.

The Company has been meeting its capital requirements through the sale of its Common Stock, Notes Payable, Factoring of Receivables, and Related Party Loans.

For the twelve months ended March 31, 2009, the Company's cash provided by operating activities totaled \$172,150. Cash provided by investing activities was \$68,923, and cash used for financing activities was \$354,807.

The company has also consolidated its sales and marketing force and implemented a commission-based sales force tied to performance. The company plans to augment its current growth by identifying strategic regional acquisition targets with strong local and regional brand recognition.

ACQUISITIONS

We will need to raise additional funds should management decide to acquire existing like-minded businesses. Certain candidates have been identified however no definitive agreements exist. We have targeted several businesses for acquisition in New York City. We would acquire 100% of the stock and operations of these entities, including, without limitation, all rights, title know-how, assignment of property leases, equipment, furnishings, inventories, processes, trade names, trademarks, goodwill, and other assets of every nature used in the entities' operations.

All of the facilities that may be acquired are centrally located within the historic Gansevoort market in lower Manhattan, thus affording the company the ability to take advantage of the economies of scale for delivery, purchasing, and other daily operating responsibilities.

If we were successful in raising funds through the sale of our common stock, and will be able to enter into negotiations for the purchase of any and/or all of the selected businesses, initially no changes in day-to-day operations in any acquired facilities would be necessary.

No negotiations have taken place, and no contracts have been entered into, to purchase any such businesses described herein. We assume that if such purchase(s) were to be completed, additional funds would be required to renovate the existing facilities, as well as improve or replace machinery as prescribed by the existing landlord or pursuant to USDA regulation.

We expect to become profitable within the next twelve months based on our current growth trend. If sales continue to increase, we may elect to purchase/lease one (1) or more pieces of new equipment depending on inflated product demand. However, no new equipment is necessary to satisfy current operations or anticipated sales order increases within the next twelve months.

We do not anticipate hiring new paid full-time employees within the next twelve months. However, we would consider hiring commission-based salespeople should the opportunity arise.

TRENDS

Although restaurant menus follow public consumption trends, the Company supplies a wide variety of specialty products and cuts to its customers. The selection of value-added products can be adjusted to consumer trends very easily. These items typically produce higher margin returns. The Company inventories many products, so if beef preferences increase and poultry preferences decrease, Company sales would shift by item but remain stable by volume. The Company would preserve its financial condition should public consumption trends change by adjusting its inventory and buying cycles.

Management has perceived a variety of recent trends that have had a material impact on our current revenues and our projected revenues for the coming quarters. Meat consumption has dramatically increased overall due to dieting habits; most famously known is The Atkins Diet, as well as other diets, that emphasize high-protein, low-carbohydrate intake. These diets suggest eating meats, including red, instead of high carbohydrate foods, and specifically recommend avoiding refined carbohydrates. High protein consumption has become a part of American culture, more than a societal tendency, in that in order to meet increasing customer requests for low-carb type items. We consider that the market research conducted by this customer was ample to effectuate such a menu change and concurs with our perception that the demand for beef, poultry, and other meats is a continuing and upwards trend. We substantiate the same claims through our own customers' purchasing trends which are evidenced by our increased revenues. The marketplace also indicates that poultry consumption is rising steadily. In order to maximize this trend, we are expanding our pre-cooked poultry offerings to all food providers, as well as those without full-service cooking establishments. Aside from the lack of a cooking facility, many purveyors seek pre-cooked poultry for safety reasons since these products offer a significantly low safety risk at causing bacterial cross-contamination. We offer pre-cooked items currently, and feel that making the investment to market these products under own branded name will increase our revenue due to heightened product awareness and our reputation for quality-conscious production methods.

CRITICAL ACCOUNTING POLICIES

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect our reported assets, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities. We base our estimates and judgments on historical experience and on various other assumptions we believe to be reasonable under the circumstances. Future events, however, may differ markedly from our current expectations and assumptions. While there are a number of significant accounting policies affecting our financial statements, we believe the following critical accounting policies involve the most complex, difficult and subjective estimates and judgments.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements.

GOING CONCERN OPINION BY COMPANY AUDITOR

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustment relating to recoverability and classification of recorded amounts of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company has incurred a net loss for the years ended March 31, 2009 and 2008. These conditions raise substantial doubt as to the Company's ability to continue as a going concern.

The Company's continued existence is dependent upon its ability to execute its operating plan and to obtain additional debt or equity financing. There can be no assurance the necessary debt or equity financing will be available, or will be available on terms acceptable to the Company.

Management plans include acquiring additional meat processing and distribution operations and obtaining additional financing to fund payment of obligations and to provide working capital for operations and to finance future growth. The Company is actively pursuing alternative financing and has had discussions with various third parties, although no firm commitments have been obtained. In the interim, shareholders of the Company have committed to meeting its operating expenses. Management believes these efforts will generate sufficient cash flows from future operations to pay the Company's obligations and realize other assets. There is no assurance any of these transactions will occur.

Management does not consider our auditor's going concern opinion problematic because we have evaluated operating practices during the years ended 2009 and 2008, and have made modifications to our present-day operations accordingly. We feel our attempts to be more efficient have proven viable since our cost of sales for the year ended March 31, 2009 have decreased compared to those for the year ended March 31, 2008. With a continuous increase in revenues and the continued implementation of stringent purchasing controls, we believe further increases in gross profit will occur, leading to a reduced net loss, with net profit to ultimately follow. We anticipate this trend to continue, however, if a downturn in revenues should occur, or cost of goods increased due to factors outside our control, and operating expenses were unable to be paid through cash flow from operations, our executive officers have committed to contribute capital, or waiver their salaries to offset these expenses.

We intend to expand our business primarily through acquisitions, which would require obtaining debt or equity financing as is indicated in our auditor's going concern opinion. In preparation for such expansion, we have engaged in several substantive discussions with prospective equity investors. Although no terms have been finalized or contracts signed, several investors have showed strong interest in funding our business. We expect to raise capital either through a debt or equity transaction, despite our negative cash flows because the terms of the capital raise would be subject and pursuant to the merit of each acquisition candidate. The acquisitions contemplated are all profitable companies and are engaged in a similar business so economies of scale will also allow our company, as the parent company, to benefit from the elimination of negative cash flow due to the incorporation of the acquisition into our business. Favorable financing terms would consist of a convertible debenture with an interest rate in the range of 6-8%. We would insist on a fixed conversion price converting the debt into common stock at a par with the current market price or at a premium to it.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements for the fiscal years ended March 31, 2009 and 2008 have been examined to the extent indicated in their reports by Gruber & Company LLC, independent certified public accountants. The financial statements have been prepared in accordance with generally accepted accounting principles, pursuant to Regulation S-B as promulgated by the SEC, and are included herein beginning immediately preceding the signature page to this report.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Management, including our chief executive officer and chief financial officer, as of the end of the period covered by this Annual Report on Form 10-K/A, we have concluded our disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934 were effective to ensure that information required to be disclosed in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Changes in Internal Controls. There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation. There were no significant deficiencies or material weaknesses and therefore there were no corrective actions taken. However, the design of any system of controls is based in part upon certain assumptions about the likelihood of future events and there is no certainty that any design will succeed in achieving its stated goal under all potential future considerations, regardless of how remote.

Management's 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. Internal control over financial reporting refers to a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and effected by our Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in connection with generally accepted accounting principles, including those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting cannot provide absolute assurance of the prevention or detection of misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of this Annual Report on Form 10-K/A for the year ended March 31, 2009, management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our internal controls over financial reporting, pursuant to Rule 13a-15 under the Exchange Act. Our Chief Executive Officer and Chief Financial Officer have concluded that the design and operation of our internal controls and procedures are effective as of March 31, 2009. There were no significant changes in our internal controls over financial reporting that occurred during the fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

This Annual Report on Form 10-K/A 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 our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this Annual Report on Form 10-K/A.

ITEM 9B. OTHER INFORMATION

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The following table sets forth certain information regarding our current directors and executive officers:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Louis Vucci, Jr.	39	President and Director
Phillip Serlin	66	Chief Operating Officer and Director

On July 11, 2008, the Board of Directors of the Company determined that it would be in the best interest of the Company to restructure management. Effective immediately Joseph Maggio was removed from his positions as the Company's Chief Executive Officer and Chairman of the Board of Directors and William De Marzo was removed from his position as Chief Financial Officer.

Also, on July 11, 2008, the Board of Directors of the Company appointed Louis Vucci, Jr. the Company's President and member of the Board of Directors, to serve as Chief Financial Officer. Mr. Vucci, Jr. agreed to serve in this position while the Company seeks to fill the vacancy.

Louis Vucci, Jr., President, Chief Executive Officer, Chief Financial Officer and Director

Mr. Louis Vucci, Jr. has been our President and Director since March 8, 2004. Since 1990, Mr. Vucci was President of Vucci Foods, Inc., a meat distribution company, whose operations were integrated into MBC Foods, Inc. in 2003. Mr. Vucci specialized in sales account management and expansion.

Mr. Vucci devotes 100% of his time as our president.

Philip Serlin, Chief Operations Officer, Director

Mr. Philip Serlin has been our Chief Operations Officer and Director since March 8, 2004. Mr. Serlin became the Chief Operations Officer of MBC Foods, Inc. in 1999 after he integrated his company, PHS Ship Supply Corp., a hamburger and chop meat processing company, into the operations of MBC Foods, Inc.

Mr. Serlin devotes 100% of his time as Chief Operations Officer.

DIRECTOR COMPENSATION

Our directors are also employees, but are not compensated for their duties performed as directors.

TERM OF OFFICE

The directors named above will serve until the next annual meeting of our shareholders. In absence of an employment agreement, officers hold their positions at the satisfaction of the Board of Directors.

FAMILY RELATIONSHIPS

None.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

None of our directors or executive officers has, during the past five years,

1. have been convicted in a criminal proceeding and none of our directors or executive officers is subject to a pending criminal proceeding,
2. been subject to 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, futures, commodities or banking activities, or
3. been found by a court of competent jurisdiction (in a civil action), the Securities and Exchange 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.

AUDIT COMMITTEE FINANCIAL EXPERT

The Company's board of directors does not have an "audit committee financial expert," within the meaning of such phrase under applicable regulations of the Securities and Exchange Commission, serving on its audit committee. The board of directors believes that all members of its audit committee are financially literate and experienced in business matters, and that one or more members of the audit committee are capable of (i) understanding generally accepted accounting principles ("GAAP") and financial statements, (ii) assessing the general application of GAAP principles in connection with our accounting for estimates, accruals and reserves, (iii) analyzing and evaluating our financial statements, (iv) understanding our internal controls and procedures for financial reporting; and (v) understanding audit committee functions, all of which are attributes of an audit committee financial expert. However, the board of directors believes that there is not any audit committee member who has obtained these attributes through the

experience specified in the SEC's definition of "audit committee financial expert." Further, like many small companies, it is difficult for the Company to attract and retain board members who qualify as "audit committee financial experts," and competition for these individuals is significant. The board believes that its current audit committee is able to fulfill its role under SEC regulations despite not having a designated "audit committee financial expert."

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

The Company does not have a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934. Accordingly, the Company's executive officers and directors and persons who own more than 10% of its equity securities are not subject to the beneficial ownership reporting requirements of Section 16(a) of that Act. However, although not required, certain of such persons do file beneficial ownership reports with the Securities and Exchange Commission.

To the best of our knowledge and based solely upon our review of the reports filed and submitted to the Company during the fiscal year ended March 31, 2009, the Company believes that all reports were timely filed by such persons.

ITEM 11. EXECUTIVE COMPENSATION.

The following table provides certain summary information concerning the compensation earned by the named executive officers for the year ended March 31, 2009, for services rendered in all capacities to Diamond Ranch Foods, Ltd.:

Name & Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Louis Vucci, Jr.									
President	2009	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2008	60,000	-0-	-0-	-0-	-0-	-0-	-0-	60,000
Philip Serlin									
COO	2009	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2008	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Joseph Maggio									
Chairman and CEO	2009	36,344	-0-	-0-	-0-	-0-	-0-	-0-	36,344
	2008	135,000	-0-	-0-	-0-	-0-	-0-	-0-	135,000
William De Marzo									
CFO	2009	21,000	-0-	-0-	-0-	-0-	-0-	-0-	22,500
	2008	78,000	-0-	-0-	-0-	-0-	-0-	-0-	78,000

We do not have a long term incentive plan or arrangement of compensation with any individual in the group of officers and directors.

EMPLOYMENT AGREEMENTS

None.

STOCK OPTION GRANTS AND EXERCISES

We granted no stock options to any of our officers or directors.

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

The following table sets forth, a information regarding the beneficial ownership of our common stock with respect to each of our executive officers, each of our directors, each person known by us to own beneficially more than 5% of the common stock, and all of our directors and executive officers as a group. Each individual or entity named has sole investment and voting power with respect to shares of common stock indicated as beneficially owned by them, except where otherwise noted.

Name and Address ⁽¹⁾	Number of Shares Beneficially Owned ⁽²⁾	Class	Percentage Beneficially Owned ⁽³⁾
Louis Vucci, Jr. President, Chief Executive Officer, Chief Financial Officer and Director	2,000,000	Common	18.5%
Philip Serlin	300,000	Common	2.8%
Chief Operations Officer and Director All Officers and Directors as a group (2 in number)	2,300,000	Common	21.3%

(1) Unless otherwise stated, the address of all persons is 355 Food Center Drive B-1, Bronx, NY 10474.

(2) The information contained in this table with respect to beneficial ownership reflects "beneficial ownership" as defined in Rule 13d-3 under the Exchange Act. All information with respect to the beneficial ownership of any shareholder has been furnished by such shareholder and, except as otherwise indicated or pursuant to community property laws, each shareholder has sole voting and investment power with respect to shares listed as beneficially owned by such shareholder. Pursuant to the rules of the Commission, in calculating percentage ownership, each person is deemed to beneficially own shares subject to options or warrants exercisable within 60 days of the date of this Filing, but shares subject to options or warrants owned by others (even if exercisable within 60 days) are deemed not to be outstanding.

(3) The above percentages are based on 10,777,800 shares of common stock outstanding as of March 31, 2009.

CHANGES IN CONTROL

We are unaware of any contract or other arrangement, the operation of which may, at a subsequent date, result in a change in control of our Company. Presently in the by-laws there are no provisions that could delay a change in control of the Company.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

As of March 31, 2009, we have an outstanding note payable to Berkshire Capital Management Co., Inc., a shareholder, in the amount of \$2,084,488. The note is payable in lump-sum including interest at 5% on September 30, 2009. Interest on the notes began accruing on September 30, 2004. We considered the terms of this loan to be more beneficial than any other loans that might have been available from third parties at that time.

To the best of our knowledge, there are no other transactions involving any Director, Executive Officer, any nominee for election as a Director or Officer, or any 5% shareholder who is a beneficial owner or any member of the immediate family of the same.

ITEM 14. PRINCIPAL ACCOUNTANT FEES & SERVICES.

The following is a summary of the fees billed to us by Gruber & Company our principal accountant, for professional services rendered during 2009 and 2008:

Services	2009	2008
Audit Fees	\$ 10,000	\$ 10,000
Audit-Related Fess	-	-
Tax Fees	-	-
Total	\$ 10,000	\$ 10,000

AUDIT FEES. Consist of fees billed for professional services rendered for the audits of our consolidated financial statements included in our annual report, reviews of our interim consolidated financial statements included in quarterly reports, other services performed in connection with filings with the Securities and Exchange Commission and related comfort letters and other services that are normally provided by Gruber & Company in connection with statutory and regulatory filings or engagements.

TAX FEES. Consist of fees billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal, state and local tax compliance and consultation in connection with various transactions and acquisitions.

ALL OTHER FEES. Consist of fees billed for products and services provided by the principal accountant other than Audit Fees, Audit-Related Fees and Tax Fees.

ITEM 15. EXHIBITS AND REPORTS ON FORM 8-K

3.1 Article of Incorporation - Previously filed.

3.2 Corporate Bylaws - Previously filed.

99(a) Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. - Filed herewith.

99(b) Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. - Filed herewith.

DIAMOND RANCH FOODS, LTD.

FINANCIAL STATEMENTS

MARCH 31, 2009 AND 2008

F-1

C O N T E N T S

Reports of Independent Registered Public Accounting Firm

F-3

Balance Sheets

F-4

Statements of Operations

F-5

Statements of Comprehensive Income

F-6

Statements of Stockholders' Equity

F-7

Statements of Cash Flows

F-8

Notes to the Financial Statements

F-9

F-2

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

THE BOARD OF DIRECTORS AND SHAREHOLDERS OF DIAMOND RANCH FOODS, LTD.

We have audited the accompanying balance sheet of Diamond Ranch Foods, Ltd. as of March 31, 2009 and 2008 and the related statements of operations, comprehensive loss, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. 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. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 14, the accompanying financial statements have been restated for the correction of certain errors noted in an SEC comment letter.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Diamond Ranch Foods, Ltd. as of March 31, 2009 and 2008 and the results of its' operations and its' cash flows for the years then ended in conformity with accounting principles generally accepted 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 1 to the financial statements, the Company has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

Gruber & Company, LLC
Lake Saint Louis, Missouri

May 1, 2009 , except for the effects on the financial statements of the restatement discussed in Note 14, to which the date is May 4, 2010

DIAMOND RANCH FOODS, LTD.**BALANCE SHEETS****(Restated)**

ASSETS	March 31,	
Current Assets:	2009	2008
Cash in Bank	\$ 7,057	\$ 20,791
Marketable Securities	62,400	44,080
Accounts Receivable Factored	318,433	718,675
Accounts Receivable-Non Factored (Net)	315,854	75,940
Inventory	134,945	171,815
Prepaid Expenses	17,488	29,413
Total Current Assets	856,177	1,060,714
Fixed Assets Net	21,711	149,133
Deposits	-	3,335
Total Other Assets	-	3,335
Total Assets	\$ 877,888	\$ 1,213,182
LIABILITIES & STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 1,744,568	\$ 1,225,395
Factoring Line of Credit	316,781	706,935
Notes Payable	60,000	100,000
Shareholder Loans	2,084,488	1,982,657
Capital Lease Obligation	2,849	12,065
Total Current Liabilities	4,208,686	4,027,052
Non-Current Liabilities:		
Note Payable	30,000	
Capital Lease Obligation	-	986
Interest Payable	335,830	218,289

Total Long Term Liabilities	365,830	219,275
TOTAL LIABILITIES	4,574,516	4,246,327
STOCKHOLDERS' DEFICIT		
Preferred Stock, authorized 10,000,000 shares, par value \$.0001, 5,284 shares issued and outstanding as of March 31, 2009 and March 31, 2008	1	1
Common Stock, authorized 500,000,000 shares, \$.0001 par value \$.0001, 10,777,800 and 32,398 shares issued and outstanding as of March 31, 2009 and March 31, 2008	1,078	3
Additional Paid-In Capital	4,459,368	4,076,175
Retained Deficit	(8,157,075)	(7,109,324)
Total Stockholders' Deficit	(3,696,628)	(3,033,145)
Total Liabilities and Stockholders' Deficit	\$ 877,888	\$ 1,213,182

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

DIAMOND RANCH FOODS, LTD
STATEMENTS OF OPERATIONS
(Restated)

	March 31,	
	2009	2008
Revenues	\$ 6,416,042	\$ 11,265,457
Cost of Goods Sold	4,810,547	8,745,053
Gross Profit	\$ 1,605,495	\$ 2,520,404
Expenses:		
Payroll	691,376	1,001,102
Factoring Fee	85,554	191,504
Rent Expense	186,952	213,927
Depreciation & Amortization	40,179	72,257
General & Admin.	1,132,046	1,048,542
Sales Commission	193,325	367,330
Total Expenses	\$ 2,329,432	\$ 2,894,662
Net (Loss) from Operations	(723,937)	(374,258)
Other Income (Expense):		
Interest Income and other	613	70,074
Realized Loss on Securities/other losses	(63,142)	(1,654,736)
Interest and financing Expense	(261,285)	(304,970)
Net Income (Loss)	\$ (1,047,751)	\$ (2,263,890)
Basic & Diluted (Loss) Per Share	\$ (0.202)	\$ (67.00)
Weighted Avg. Shares Outstanding	5,693,954	33,762

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

DIAMOND RANCH FOODS, LTD
STATEMENTS OF COMPREHENSIVE INCOME

		March 31,		
		2009		2008
Net Loss	\$	-	\$	-
Unrealized Loss on Securities		-		-
Comprehensive Loss	\$	-	\$	-

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

DIAMOND RANCH FOODS, LTD
STATEMENTS OF EQUITY (Restated)

	Preferred Stock		Common Stock		Additional	Retained	Total
	Shares	Amount	Shares	Amount	Paid-in Capital	Earnings (Deficit)	
Balance, April 1, 2007	-	\$ -	34,448	\$ 3	3,944,276 \$	(4,845,434) \$	(901,155)
Shares repurchased	-	-	(2,125)	-	(400,000)	-	(400,000)
Shares issued for services	-	-	75	-	3,500	-	3,500
Preferred shares issued for marketable securities	5,284	1	-	-	528,399	-	528,400
Net Loss	-	-	-	-	-	(2,263,890)	(2,263,890)
Balance March 31, 2008	5,284	1	32,398	3	4,076,175	(7,109,324)	(3,033,145)
Shares cancelled	-	-	(500)	-	(100,000)	-	(100,000)
Shares for services	-	-	902	-	750	-	750
Contribution of debt	-	-	-	-	53,718	-	53,718
Shares issued for services	-	-	10,745,000	1,075	428,725	-	429,800
Net Loss	-	-	-	-	-	(1,047,751)	(1,047,751)
Balance March 31, 2009	5,284	\$ 1	10,777,800	\$ 1,078	\$ 4,459,368	\$ (8,157,075)	\$ (3,696,628)

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

DIAMOND RANCH FOODS, LTD
STATEMENTS OF CASH FLOWS

(Restated)

For the year ended

	2009	March 31,	2008
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Loss	\$ (1,047,751)		\$ (2,263,890)
Adjustments to reconcile net loss to net cash			
Provided by operating activities			
Depreciation and Amortization	40,179		72,257
Other comprehensive loss			360,745
(Increase) Decrease in Inventory	36,870		(50,029)
(Increase) Decrease in Accounts Receivable	160,328		465,937
(Increase) Decrease in Deposits and Prepaids	15,260		172,940
Stock Issued in Exchange for Services	430,550		3,500
(Decrease) Increase in Accounts Payable and Accrued Expenses	519,173		426,641
Interest Payable	117,541		-
Net Cash Used in Operating Activities	272,150		(811,899)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase) Sale of Marketable Securities	(18,320)		1,805,010
Equipment	87,243		(3,006)
Net Cash Used in Investing Activities	68,923		1,802,004
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments on Capital Lease Obligation	(10,202)		(5,091)
Factoring Payable	(390,154)		(210,991)
Shareholder Loans	101,831		348,789
Payments on Notes Payable	(10,000)		-

Edgar Filing: Diamond Ranch Foods, Ltd., NEW - Form 10-K/A

Payments on Related Party Debt	-	(209,000)
Contribution of Capital from Stockholders	53,718	-
Bank Overdraft	-	(493,021)
Repurchase of common stock shares	(100,000)	(400,000)
Net Cash Used in Financing Activities	(354,807)	(969,314)
Net (Decrease) Increase in Cash and Cash Equivalents	(13,734)	20,791
Cash and Cash Equivalents at Beginning of Period	20,791	-
Cash and Cash Equivalents at End of Period	7,057	20,791

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for:

Interest	\$	-	\$	-
----------	----	---	----	---

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

Stock issued for services	\$	108,200	\$	3,500
Stock issued for marketable securities	\$	-	\$	528,400

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

DIAMOND RANCH FOODS, LTD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2009 AND MARCH 31, 2008

NOTE 1 - NATURE OF OPERATIONS AND GOING CONCERN

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustment relating to recoverability and classification of recorded amounts of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company incurred an operating loss of \$723,937 for the year ended March 31, 2009 and has a negative stockholders equity of \$3,696,628 and has a negative current ratio of \$3,352,509.

The Company's continued existence is dependent upon its ability to continue to execute its operating plan and to obtain additional debt or equity financing. There can be no assurance the necessary debt or equity financing will be available, or will be available on terms acceptable to the Company.

Management plans include acquiring additional meat processing and distribution operations and obtaining additional financing to fund payment of obligations and to provide working capital for operations and to finance future growth. The Company is actively pursuing alternative financing and has had discussions with various third parties, although no firm commitments have been obtained. In the interim, shareholders of the Company have committed to meeting its operating expenses. Management believes these efforts will generate sufficient cash flows from future operations to pay the Company's obligations and realize other assets. There is no assurance any of these transactions will occur.

Organization and Basis of Presentation

The Company was incorporated under the laws of the State of Florida on November 30, 1942 under the name Jerry's Inc. The Company ceased all operating activities during the period from January 1, 1998 to March 8, 2004 and was considered dormant. On March 8, 2004 the Company changes its domicile to the State of Nevada. On March 30, 2004, the company changed its name to Diamond Ranch Foods, Ltd.

On May 1, 2004, the shareholders of the Diamond Ranch Foods, Ltd. (formerly Jerry's Inc.) completed a stock purchase agreement with MBC Foods, Inc., a Nevada corporation. The merger was accounted for as a reverse merger, with MBC Foods, Inc. being treated as the acquiring entity for financial reporting purposes. In connection with this merger, Diamond Ranch Foods, Ltd. (formerly Jerry's Inc.) issued 31,607,650 shares of common stock for the acquisition of MBC Foods, Inc. which was recorded as a reverse merger and shown on the Statement of Stockholders Equity as a net issuance of 25,692,501 shares.

For financial reporting purposes, MBC Foods, Inc. was considered the new reporting entity.

Nature of Business

The Company is a meat processing and distribution company now located in the Hunts Point Coop Market, Bronx, NY. The Companies operations consist of packing, processing, labeling, and distributing products to a customer base, including, but not limited to; in-home food service businesses, retailers, hotels, restaurants, and institutions, deli and

catering operators, and industry suppliers.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

This summary of accounting policies for Diamond Ranch Foods, Ltd. is presented to assist in understanding the Company's financial statements. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Reverse Stock Split

On September 19, 2008 the Company effected a 2,000 to 1, reverse stock split and changed its symbol to DRFO. The financials have been restated for all periods presented to reflect this reverse stock split.

Use of Estimates

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. In preparing the financial statements, management is required to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the balance sheet and statement of operations for the year then ended. Actual results may differ from these estimates. Estimates are used when accounting for allowance for bad debts, collect ability of accounts receivable, amounts due to service providers, depreciation and litigation contingencies, among others.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

Revenue recognition

The Company derives its revenue from the sale of meat products, and the revenue is recognized when the product is delivered to the customer.

Concentration of Credit Risk

The Company has no significant off-balance sheet concentrations of credit risk such as foreign exchange contracts, options contracts or other foreign hedging arrangements.

Fixed Assets

Fixed assets are recorded at cost. Major renewals and improvements are capitalized, while maintenance and repairs are expensed when incurred. As of March 31, 2009 depreciation is computed as follows:

Cost	Method	Life	Accumulated Depreciation	Net
------	--------	------	-----------------------------	-----

Equipment	322,232	Strait Line	3-5 Years	300,521	21,711
	322,232			\$ 300,521	\$ 21,711

Total depreciation expense for the year ended March 31, 2009 and 2008 was \$40,179 and \$72,257 respectively.

Earnings per Share

Basic gain or loss per share has been computed by dividing the loss for the period applicable to the common stockholders by the weighted average number of common shares outstanding during the years. There are no dilutive outstanding common stock equivalents as of March 31, 2009 and 2008.

Income Taxes

The Company accounts for income taxes under the provisions of SFAS No.109, "Accounting for Income Taxes." SFAS No.109 requires recognition of deferred income tax assets and liabilities for the expected future income tax consequences, based on enacted tax laws, of temporary differences between the financial reporting and tax bases of assets and liabilities.

Inventory

Inventory consists of finished meat products, and is valued at the lower of cost, determined on the first-in, first-out basis (FIFO), or market value.

Marketable Securities

Marketable securities consist of publicly-traded securities that are classified as available-for-sale securities. On the balance sheet, available-for-sale securities are classified as current assets. Available-for-sale securities are recorded at fair market value based upon quoted market prices. Unrealized gains and losses, net of related income taxes, are recorded in accumulated other comprehensive income (loss) in stockholders' equity (deficit).

Realized gains and losses from the sale of available-for-sale securities are recorded in other income (expense) and are computed using the specific identification method. During the year ended, the Company sold available-for-sale securities for a realized loss of \$4,129 which is included in other income (expense).

The Company's policy for assessing recoverability of its available-for-sale securities is to record a charge against net earnings when the Company determines that a decline in the fair value of a security drops below the cost basis and judges that decline to be other-than-temporary.

Advertising

Advertising costs are expensed as incurred.

Recent Accounting Pronouncements

In July 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprises' financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes". FIN 48 prescribes a recognition threshold and measurement attributable for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognizing, classification, interest and penalties, accounting in interim periods, disclosures and transitions. FIN 48 is effective for fiscal years beginning after December 15, 2006. The application of FIN 48 did not result in a change to the Company's financial position since the Company already reserved 100% of the deferred tax asset.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measures" ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles ("GAAP"), expands disclosures about fair value measurements, and applies under other accounting pronouncements that require or permit fair value measurements. SFAS No. 157 does not require any new fair value measurements, however the FASB anticipates that for some entities, the application of SFAS No. 157 will change current practice.

SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, which for the Company would be its fiscal year beginning November 1, 2008. The implementation of SFAS No. 157 did not impact the Company's results of operations or financial condition. The Company has included the information required by SFAS No. 157 in Note 3.

In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106, and 132(R)". This statement requires employers to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multi-employer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for-profit organization. This statement also requires an employer to measure the funded status of a plan as of the date of its year-end statement of financial position, with limited exceptions. The provisions of SFAS No. 158 are effective for employers with publicly traded equity securities as of the end of the fiscal year ending after December 15, 2006. The adoption of SFAS No. 158 did not have an effect on the Company's reported financial position or results of operations since the Company does not presently have a defined benefit plan or other post-retirement plan.

F-11

In September 2006, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 108 (Topic 1N), "Quantifying Misstatements in Current Year Financial Statements" ("SAB No. 108"). SAB No. 108 addresses how the effect of prior year uncorrected misstatements should be considered when quantifying misstatements in current year financial statements. SAB No. 108 requires SEC registrants (i) to quantify misstatements using a combined approach which considers both the balance sheet and income statement approaches; (ii) to evaluate whether either approach results in quantifying an error that is material in light of relevant quantitative and qualitative factors; and (iii) to adjust their financial statements if the new combined approach results in a conclusion that an error is material. SAB No. 108 addresses the mechanics of correcting misstatements that include effects from prior years. It indicates that the current year correction of a material error that includes prior year effects may result in the need to correct prior year financial statements even if the misstatement in the prior year or years is considered immaterial. Any prior year financial statements found to be materially misstated in years subsequent to the issuance of SAB No. 108 would be restated in accordance with SFAS No. 154, "Accounting Changes and Error Corrections." Because the combined approach represents a change in practice, the SEC staff will not require registrants that followed an acceptable approach in the past to restate prior years' historical financial statements. Rather, these registrants can report the cumulative effect of adopting the new approach as an adjustment to the current year's beginning balance of retained earnings. If the new approach is adopted in a quarter other than the first quarter, financial statements for prior interim periods within the year of adoption may need to be restated. SAB No. 108 is effective for fiscal years ending after November 15, 2006, which for Company would be its fiscal year beginning December 1, 2007. The implementation of SAB No. 108 is not expected to have a material impact on the Company's results of operations and financial condition.

NOTE 3-MARKETABLE SECURITIES

At March 31, 2009 the company held securities in two companies valued at \$62,400, the former was a position of 755,000 shares valued at market of .06 cents per share, the latter was 950,000 shares at .02 cents per share.

Assets measured at fair value on a recurring basis. Adapted from the table in para. A34 of SFAS 157:

Assets	Total	Quoted Prices	Significant Other	Significant
	March 31, 2009	Level 1	Inputs: Level 2	Nonobservable Inputs:
				Level 3
Trading Securities	\$62,400	\$62,400	\$0	\$0
Available for sale	\$62,400	\$62,400	\$0	\$0
Derivatives	\$0	\$0	\$0	\$0
Total	\$62,400	\$62,400	\$0	\$0

NOTE 4 - INCOME TAXES

As of March 31, 2009, the Company had a net operating loss carryforward for income tax reporting purposes of approximately \$7,500,000 be offset against future taxable income through 2029. Current tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. Therefore, the amount available to offset future taxable income may be limited. No tax benefit has been reported in the financial statements, because the Company believes there is a 50% or greater chance the carry-forwards will expire unused. Accordingly, the potential tax benefits of the loss carry-forwards are offset by a valuation allowance of the same amount.

2009

Net Operating Losses	\$	2,325,000
Depreciation		-
Valuation Allowance		(2,325,000)
	\$	-

The Company evaluates its valuation allowance requirements based on projected future operations. When circumstances change and cause a change in management's judgment about the recoverability of deferred tax assets, the impact of the change on the valuation is reflected in current income.

NOTE 5 - OPERATING LEASE COMMITMENTS

The Companies operating facility consists of approximately 3,500 sq. ft. The Company leases the space on a month-to-month basis at \$9,000 per month.

The Company also leases space on a month to month basis for truck and equipment rental on an as needed basis.

NOTE 6 - CAPITAL LEASE COMMITMENTS

The Company has entered into capital leases for the purchase of equipment. The future minimum lease payments are as follows:

Year	Lease Payment
2009	2,849
2010	-
2011	-
Total	\$2,849

NOTE 7- NOTES PAYABLE

Factoring Line of Credit

In 2007 the Company entered into an agreement with a factoring corporation. Under the terms of the agreement, the Company would receive 90 percent of the purchase price up front and 10 percent would be held in reserves until the receivables are collected. The term of the agreement is one year, renewable at the Corporations discretion. A discount charge of nine tenths of one per cent is charged, with increases based upon a time frame of receivables outstanding. Receivables over 90 days are returned to the Company.

These factoring lines of credit have been treated as a secured financing arrangement. As of March 31, 2009 the company had factored receivables in the amount of \$318,433 and recorded a liability of \$316,781 Discount provided during factoring of the accounts receivable have been expensed on the accompanying Statements of Operations as Factoring Fees.

NOTE 8 LOANS PAYABLE

As of March 31, 2009, the Company has an outstanding note payable to a shareholder in the amount of \$2,084,488. This loan carries with it an interest rate of 5% and no payments of interest or principal are due until the due date of September 30, 2009.

In September 2006, the Company received \$100,000 for a note bearing interest at 7.5%, payable in monthly installments starting February 2009 of \$5,000 per month. At March 31, 2009 \$10,000 has been repaid.

Accrued interest on these loans is \$335,830 at March 31, 2009.

NOTE 9 - RELATED PARTY TRANSACTIONS

On September 22, 2008 the Company issued 2,000,000 restricted shares to its President, Louis Vucci and 30,000 shares to a family member for services rendered. The shares were valued at 80% of the closing bid price on September 30, 2008 the first date for which a trade in the Company's stock was recorded. The discount was deemed appropriate given the illiquidity of the Company's stock on the date of issuance and the restricted nature of the shares issued.

F-13

NOTE 10-SIGNIFICANT VENDOR

At March 31, 2009 the Company was indebted to a vendor representing 94% of the total payables. While the Company can if needed replace this vendor in buying product to sell, the loss of this relationship would have a material impact on the Company.

NOTE 11-COMMON STOCK TRANSACTIONS

All share information listed below is reflective of the 1:2000 reverse split effected September 18, 2008 unless otherwise noted.

During the year ended March 31, 2008, the Company repurchased 2,125 shares of common stock in exchange for \$400,000. The shares were subsequently cancelled.

During the year ended March 31, 2008, the Company issued 75 shares of restricted common stock in exchange for services valued at \$3,500. The shares were issued pursuant to Rule 144 of the Securities Act of 1934, as amended.

On September 22, 2009, the Company issued a total of 10,745,902 shares of restricted common stock in exchange for services previously rendered. The shares issued were valued at \$0.04 per share (post split) based on 80% of the closing bid price on September 30, 2008 the first date for which a trade in the Company's stock was recorded. The discount was deemed appropriate given the illiquidity of the Company's stock on the date of issuance and the restricted nature of the shares issued.

During the year ended March 31, 2009, the Company repurchased 500 shares of common stock in exchange for \$100,000.

NOTE 12-PREFERRED STOCK

During the fourth quarter of 2008 the company issued 5,284 convertible series E preferred stock to one of its stockholders for 6,675,000 shares of stock of a publicly held entity. This stock has been valued at \$528,400 which represents the value of the shares received and the value of the common shares into which the Series E is convertible. The Series E preferred stock became convertible 30 days after issuance, does not earn interest and is not entitled to receive dividends. Series E shares are convertible into that number of common shares equal to \$528,400 divided by the 5-day average closing bid price of the Company's common stock on the date of conversion. Each share of Series E is entitled to 10,000 votes on all shareholder matters.

NOTE 13 SIGNIFICANT EVENT

In March of 2009 the Company received a petition for involuntary bankruptcy by three former shareholders who claim they are owed money. The Company has responded to this petition disputing vigorously their claim, and asserting fraud and perjury against the former shareholders. The amount in question is less than \$65,000 and the Company feels that it will prevail and any eventual settlement of this will not have an adverse effect on their financial position.

NOTE 14 RESTATEMENT OF FINANCIAL STATEMENTS

Subsequent to the issuance of the financial statements for March 31, 2008 and 2009, the Company restated certain elements of the balance sheets and income statements which also affected the statements of equity and cash flows. The following tables detail the specific changes:

DIAMOND RANCH FOODS, LTD.**BALANCE SHEETS**

	March 31,			March 31,		
	2009	March 31,	March 31,	2008	March 31,	March 31,
	As	2009	2009	As	2008	2008
	originally	Adjustment	Restated	originally	Adjustment	Restated
	stated			stated		
ASSETS						
Current Assets:						
Cash in Bank	\$ 7,057		\$ 7,057	\$ 20,791		\$ 20,791
Marketable Securities	62,400		62,400	44,080		44,080
Accounts Receivable Factored	318,433		318,433	718,675		718,675
Accounts Receivable-Non Factored (Net)	315,854		315,854	75,940		75,940
Inventory	134,945		134,945	171,815		171,815
Prepaid Expenses	17,488		17,488	29,413		29,413
Total Current Assets	856,177		856,177	1,060,714		1,060,714
Fixed Assets Net	21,711		21,711	149,133		149,133
Deposits	-		-	3,335		3,335
Total Other Assets	-		-	3,335		3,335
Total Assets	\$ 877,888		\$ 877,888	\$ 1,213,182		\$ 1,213,182
LIABILITIES & STOCKHOLDERS' EQUITY						
Current Liabilities:						
	\$ 1,744,568		\$ 1,744,568	\$ 1,225,395		\$ 1,225,395

Edgar Filing: Diamond Ranch Foods, Ltd., NEW - Form 10-K/A

Accounts Payable and Accrued Expenses						
Factoring Line of Credit	316,781		316,781	706,935		706,935
Notes Payable	60,000		60,000	100,000		100,000
Shareholder Loans	-	2,084,488 ^(a)	2,084,488	-	1,982,657 ^(a)	1,982,657
Capital Lease Obligation	2,849		2,849	12,065		12,065
Total Current Liabilities	2,124,198		4,208,686	2,044,395		4,027,052
Non-Current Liabilities:						
Note Payable	30,000		30,000	-		-
Shareholder Loans	2,084,488	(2,084,488) ^(a)	-	1,982,657	(1,982,657) ^(a)	-
Capital Lease Obligation	-		-	986		986
Interest Payable	335,830		335,830	218,289		218,289
Total Long Term Liabilities	2,450,318		365,830	2,201,932		219,275
TOTAL LIABILITIES	4,574,516		4,574,516	4,246,327		4,246,327
STOCKHOLDERS'						
DEFICIT						
Preferred Stock, authorized 10,000,000 shares, par value \$.0001, 5,284 shares issued and outstanding as of March 31, 2009 and March 31, 2008	528	(527) ^(b)	1	528	(527) ^(b)	1
Common Stock, authorized 500,000,000 shares, \$.0001 par value \$.0001, 10,777,800 and 32,398 shares issued and outstanding as of March 31, 2009 and March 31, 2008	1,078		1,078	3		3
Additional Paid-In Capital	3,966,611	492,757 ^(c)	4,459,368	3,805,768	270,407 ^(c)	4,076,175
Treasury Stock	(100,000)	100,000 ^(c)	-	(100,000)	100,000 ^(c)	-
Retained Deficit	(7,564,845)	(592,230) ^(c)	(8,157,075)	(6,739,444)	(369,880) ^(c)	(7,109,324)
Total Stockholders' Deficit	(3,696,628)		(3,696,628)	(3,033,145)		(3,033,145)
Total Liabilities and Stockholders' Deficit	\$ 877,888		\$ 877,888	\$ 1,213,182		\$ 1,213,182

(a)

To reclassify shareholder debt as current.

(b)

To properly state the par value of the preferred stock issued.

(c) To adjust for the repurchase of common stock and the value of shares issued for services rendered.

F-15

DIAMOND RANCH FOODS, LTD

STATEMENTS OF OPERATIONS

	March 31,		March 31,		March 31,	
	2009	March 31,	March 31,	2008	March 31,	March 31,
	As	2009	2009	As originally	2009	2008
	originally	Adjustment	Restated	stated	Adjustment	Restated
	stated					
Revenues	\$ 6,416,042		\$ 6,416,042	\$ 11,265,457		\$ 11,265,457
Cost of Goods Sold	4,810,547		4,810,547	8,745,053		8,745,053
Gross Profit	\$ 1,605,495		\$ 1,605,495	\$,520,404		\$ 2,520,404
Expenses:						
Payroll	691,376		691,376	1,001,102		1,001,102
Factoring Fee	85,554		85,554	191,504		191,504
Rent Expense	186,952		186,952	213,927		213,927
Depreciation & Amortization	40,179		40,179	72,257		72,257
General & Admin.	909,696	222,350 ^(a)	1,132,046	1,048,542		1,048,542
Sales Commission	193,325		193,325	367,330		367,330
Total Expenses	\$ 2,107,082	\$ 222,350	\$ 2,329,432	\$ 2,894,662		\$ 2,894,662
Net (Loss) from Operations	(501,587)	(222,350)	(723,937)	(374,258)		(374,258)
Other Income (Expense):						
Interest Income and other	613		613	70,074		70,074
Realized Loss on Securities/other losses	(63,142)		(63,142)	(1,284,856)	(369,880) ^(b)	(1,654,736)
Interest and financing Expense	(261,285)		(261,285)	(304,970)		(304,970)
Net Income (Loss)	\$ (825,401)	\$ (222,350)	\$ (1,047,751)	\$ (1,894,010)	\$ (369,880)	\$ (2,263,890)
Basic & Diluted (Loss) Per Share	\$ (0.144)	\$ (0.058)	\$ (0.202)	\$ (56.10)	\$ (10.90)	\$ (67.00)
Weighted Avg. Shares Outstanding	5,693,954		5,693,954	33,762		33,762

(a)

To record the value of shares issued for services.

(b)

To record the impact of selling shares received in exchange for issuing preferred stock.

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

F-16

DIAMOND RANCH FOODS, LTD
STATEMENTS OF EQUITY
AS ORIGINALLY STATED

	Preferred Stock		Common Stock		Additional	Retained	Treasury	Total
	Shares	Amount	Shares	Amount	Paid-in Capital	Earnings (Deficit)	Stock/ Sub Debt	
Balance, April 1, 2007	-	\$ -	34,448	\$ 3	3,944,276	\$ (4,845,434)	\$ 272,554	\$ (628,601)
Shares recinded	-	-	(1,500)	-	(300,000)	-	(272,554)	(572,554)
Shares issued for services	-	-	75	-	3,500	-	-	3,500
Purchase of Treasury Shares	-	-	(625)	-	-	-	(100,000)	(100,000)
Preferred Shares issued as financing costs	5,284,000	528	-	-	157,992	-	-	158,520
Net Loss	-	-	-	-	-	(1,894,010)	-	(1,894,010)
Balance March 31,	5,284,000	528	32,398	3	3,805,768	(6,739,444)	(100,000)	(3,033,145)

2008								
Shares recinded	-	-	(500)	-	-	-	-	-
Shares for services	-	-	902	-	750	-	-	750
Contribution of debt	-	-	-	-	53,718	-	-	53,717
Shares issued for services	-	-	10,745,000	1,075	106,375	-	-	107,450
Net Loss	-	-	-	-	-	(825,401)	-	(825,401)
Balance March 31, 2009	5,284,000 \$	528	10,777,800 \$	1,078	3,966,611 \$	(7,564,845) \$	(100,000) \$	(3,696,628)

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

F-17

DIAMOND RANCH FOODS, LTD
STATEMENTS OF EQUITY
RESTATED

	Preferred Stock		Common Stock		Additional	Retained	
	Shares	Amount	Shares	Amount	Paid-in	Earnings	Total
					Capital	(Deficit)	
Balance, April 1, 2007	-	\$ -	34,448	\$ 3	3,944,276	\$ (4,845,434)	\$ (901,155)
Shares repurchased	-	-	(2,125)	-	(400,000)	-	(400,000)
Shares issued for services	-	-	75	-	3,500	-	3,500
Preferred shares issued for marketable securities	5,284	1	-	-	528,399	-	528,400
Net Loss	-	-	-	-	-	(2,263,890)	(2,263,890)
Balance March 31, 2008	5,284	1	32,398	3	4,076,175	(7,109,324)	(3,033,145)

Edgar Filing: Diamond Ranch Foods, Ltd., NEW - Form 10-K/A

Shares cancelled	-	-	(500)	-	(100,000)	-	(100,000)					
Shares for services	-	-	902	-	750	-	750					
Contribution of debt	-	-	-	-	53,718	-	53,718					
Shares issued for services	-	-	10,745,000	1,075	428,725	-	429,800					
Net Loss	-	-	-	-	-	(1,047,751)	(1,047,751)					
Balance March 31, 2009	5,284	\$	1	10,777,800	\$	1,078	\$	4,459,368	\$	(8,157,075)	\$	(3,696,628)

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

DIAMOND RANCH FOODS, LTD
STATEMENTS OF CASH FLOWS

	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2009	March 31,2009	March 31,2009	March 31, 2008	March 31, 2008	March 31, 2008
	As originally stated	Adjustment	Restated	As originally stated	Adjustment	Restated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net Loss	\$ \$ (825,401)	\$ (222,350)	\$ (1,047,751)	\$ \$ (1,894,010)	\$ (369,880)	\$ (2,263,890)
Adjustments to reconcile net loss to net cash						
Provided by operating activities						
Depreciation and Amortization	40,179		40,179	72,257		72,257
Other comprehensive loss				360,745		360,745
(Increase)	36,870		36,870	(50,029)		(50,029)
Decrease in Inventory						
(Increase)	160,328		160,328	465,937		465,937
Decrease in Accounts Receivable						
(Increase)	15,260		15,260	172,940		172,940
Decrease in Deposits and Prepays						
Stock Issued in Exchange for Services	108,200	322,350 ^(a)	430,550	3,500		3,500
(Increase)	519,173		519,173	426,641		426,641
Increase in Accounts Payable and Accrued Expenses						
Interest Payable	117,541		117,541	-		-

Edgar Filing: Diamond Ranch Foods, Ltd., NEW - Form 10-K/A

Net Cash Used in Operating Activities	172,150	100,000	272,150	(442,019)	(369,880)	(811,899)
CASH FLOWS FROM INVESTING ACTIVITIES:						
(Purchase) Sale of Marketable Securities	(18,320)		(18,320)	1,276,610	528,400 ^(c)	1,805,010
Equipment	87,243		87,243	(3,006)		(3,006)
Net Cash Used in Investing Activities	68,923		68,923	1,273,604	528,400	1,802,004
CASH FLOWS FROM FINANCING ACTIVITIES:						
Payments on Capital Lease Obligation	(10,202)		(10,202)	(5,091)		(5,091)
Factoring Payable	(390,154)		(390,154)	(210,991)		(210,991)
Shareholder Loans	101,831		101,831	348,789		348,789
Payments on Notes Payable	(10,000)		(10,000)	-		-
Payments on Related Party Debt	-		-	(209,000)		(209,000)
Contribution of Capital from Stockholders	53,718		53,718	-		-
Bank Overdraft	-		-	(493,021)		(493,021)
Repurchase of common stock shares	-	(100,000) ^(b)	(100,000)	(400,000)		(400,000)
Net Cash Used in Financing Activities	(254,807)	(100,000)	(354,807)	(810,794)	(158,520)	(969,314)
Net (Decrease) Increase in Cash and Cash Equivalents	(13,734)		(13,734)	20,791		20,791
Cash and Cash Equivalents at Beginning of Period	20,791		20,791	-		-
	7,057		7,057	20,791		20,791

Cash and Cash Equivalents
at End of Period

SUPPLEMENTAL
DISCLOSURE OF CASH
FLOW INFORMATION:

Cash paid during the year
for:

Interest	\$ -	\$ -	\$ -	\$ -
----------	------	------	------	------

SUPPLEMENTAL
DISCLOSURE OF
NON-CASH INVESTING
AND FINANCING
ACTIVITIES:

Stock issued for services	\$ 108,200	\$ 108,200	\$ 3,500	\$ 3,500
Stock issued for marketable securities	\$ -	\$ -	\$ -	\$ 528,400
				\$ 528,400

(a)

To record the effect of issuing shares for services.

(b)

To record the value of common stock repurchased.

(c)

Adjusted to show the effect of selling securities received in exchange for issuing preferred stock.

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

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.

DIAMOND RANCH FOODS, LTD.

(Registrant)

May 5, 2010

By: /s/ Louis Vucci, Jr.

Louis Vucci, Jr., President, Chief Financial Officer
(On behalf of the Registrant and as Principal Executive Officer,
Principal
Financial Officer and Principal Accounting Officer) and
Director

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: May 5, 2010

/s/ Louis Vucci, Jr.

Louis Vucci, Jr., President, Chief Financial Officer (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer) and Director

Date: May 5, 2010 /s/ Philip Serlin

Philip Serlin, Chief Operations Officer and Director
