

AVRA INC.
Form 10-Q
September 15, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended July 31, 2014

or

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

For the transition period from _____ to _____

Commission File Number: 333-182130

AVRA INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

36-4789798
(I.R.S. Employer
Identification No.)

3790 El Camino Real, Suite 291, Palo Alto, California
 (Address of principal executive offices)

94306
 (Zip Code)

844-287-2462

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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 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"/> (Do not check if a smaller reporting company)	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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class	Shares outstanding as of September 12, 2014
Common stock, \$0.00001 par value	141,293,400

PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements.

Avra Inc.
July 31, 2014

Balance Sheets (unaudited).....F-1

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Avra Inc.
Balance Sheets
(Unaudited)

	July 31, 2014	January 31, 2014
ASSETS		
Current Assets		
Cash	\$	– \$ 1,071
Total Assets	\$	– \$ 1,071
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 26,219	\$ 14,638
Short-term loans	53,940	37,440
Due to related party	633	–
Total Liabilities	80,792	52,078
Contingencies and Commitments		
Stockholders' Deficit		
Preferred stock, 100,000,000 shares authorized, \$0.00001 par value; no shares issued and outstanding		–
Common stock, 300,000,000 shares authorized, \$0.00001 par value; 141,293,400 shares issued and outstanding	1,413	1,413
Additional paid-in capital	43,283	43,283
Accumulated deficit	(125,488)	(95,703)
Total Stockholders' Deficit	(80,792)	(51,007)

Total Liabilities and Stockholders' Deficit	\$	–	\$	1,071
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The accompanying notes are an integral part of these unaudited financial statements.

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Avra Inc.

Statements of Operations

(Unaudited)

	For the Three Months Ended July 31, 2014	For the Three Months Ended July 31, 2013	For the Six Months Ended July 31, 2014	For the Six Months Ended July 31, 2013
Operating Expenses				
Bank charges and interest	\$ 183	\$ —	\$ 306	\$ —
General and administrative	513	—	513	—
Marketing and advertising	—	—	1,900	—
Transfer agent and filing fees	4,070	3,810	4,530	4,735
Foreign exchange (gain) loss	14	(102)	38	(165)
Professional fees	10,463	3,876	20,655	14,239
Total Operating Expenses	15,243	7,584	27,942	18,809
Interest expense	1,046	—	1,843	—
Net Loss	\$ (16,289)	\$ (7,584)	\$ (29,785)	\$ (18,809)
Net Loss Per Common Share – Basic and Diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted Average Common Shares Outstanding – Basic and Diluted	141,293,400	141,293,400	141,293,400	141,293,400

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

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Avra Inc.
Statements of Cash Flows
(Unaudited)

	For the Six Months Ended July 31, 2014	For the Six Months Ended July 31, 2013
Cash Flows from Operating Activities		
Net loss	\$ (29,785)	\$ (18,809)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Prepaid expense	-	650
Accounts payable and accrued liabilities	11,581	13,278
Net Cash Used in Operating Activities	(18,204)	(4,881)
Cash Flows from Financing Activities		
Proceeds from short-term loans	16,500	5,000
Proceeds from related party advances	633	-
Net Cash Provided by Financing Activities	17,133	5,000
Increase (Decrease) in Cash	(1,071)	119
Cash - Beginning of Period	1,071	-
Cash - End of Period	\$ -	\$ 119

Supplementary Information:

Interest paid	\$	-	\$	-
Income taxes paid	\$	-	\$	-

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

Avra, Inc.

Notes to the Financial Statements

(Unaudited)

1. Nature of Business and Continuance of Operations

Avra Inc. (the "Company") was incorporated in the State of Nevada on December 1, 2010. The Company, with offices in the United States, specializes in the sales, marketing and distribution of Smart TV boxes to home consumers. Smart TV Boxes are devices that allow consumers to combine all of the benefits of the Internet with the large size and high definition capabilities of TV screens in the comfort of consumers' living rooms. The Company's planned principal operations include the marketing and selling of mining equipment for Bitcoin and other altcoins, as well as marketing and selling ATM machines for the same Cryptocurrency vendors.

These financial statements have been prepared on a going concern basis, which assumes the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. As of July 31, 2014, the Company has a working capital deficit of \$80,792 and has incurred losses totaling \$125,488 since inception, and has not yet generated any revenue from operations. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's management plans to raise funds in the next 12 months through a combination of debt financing and equity financing by way of private placements.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

These financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States and are expressed in US dollars. The Company's fiscal year end is January 31.

b) Interim Financial Statements

The accompanying unaudited interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained elsewhere in this prospectus. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year end January 31, 2014 have been

omitted.

c) Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

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2. Summary of Significant Accounting Policies (continued)

e) Financial Instruments

The Company's financial instruments consist principally of cash, and accounts payable and accrued liabilities and short term loans. Pursuant to ASC 820, *Fair Value Measurements and Disclosures* and ASC 825, *Financial Instruments* the fair value of the Company's cash equivalents is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets.

f) Earnings (Loss) Per Common Share

Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing Diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. At July 31, 2014, the Company has no potentially dilutive securities outstanding.

g) Foreign Currency Translation

The Company's planned operations will be in the United States, which results in exposure to market risks from changes in foreign currency exchange rates. The financial risk is the risk to the Company's operations that arise from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company's functional currency for all operations worldwide is the U.S. dollar. Nonmonetary assets and liabilities are translated at historical rates and monetary assets and liabilities are translated at exchange rates in effect at the end of the year. Revenues and expenses are translated at average rates for the year. Gains and losses from translation of foreign currency financial statements into U.S. dollars are included in current results of operations.

h) Revenue Recognition

Sales are recorded when products are shipped to customers. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. No provision for discounts or rebates to customers, estimated returns and allowances or other adjustments were recognized during the six months ended July 31, 2014. In instances where products are configured to customer requirements, revenue is recorded upon the successful completion of the Company's final test procedures and the customer's acceptance. The Company has not made any sales as at July 31, 2014.

i) Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, *Income Taxes*. The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

j) Subsequent Events

The Company's management reviewed all material events from July 31, 2014 through the issuance date of these financial statements for disclosure consideration.

k) Recent Accounting Pronouncements

In June 2014, the FASB issued ASU 2014-10, Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements. ASU 2014-10 eliminates the distinction of a development stage entity and certain related disclosure requirements, including the elimination of inception-to date information on the statements of operations, cash flows and stockholders' equity. The amendments in ASU 2014-10 will be effective prospectively for annual reporting periods beginning after December 15, 2014, and interim periods within those annual periods, however early adoption is permitted. The Company evaluated and adopted ASU 2014-10 for the reporting period ended July 31, 2014.

3. Short-term Loans

On August 1, 2013, the Company entered into a loan agreement in which the note holder agreed to provide a loan to the Company in the principal amount of up to \$50,000. The loan is unsecured, bears interest at 8% per annum and payable on August 1, 2014. As at July 31, 2014, the note holder has provided \$53,940 to the Company. The Company is currently negotiating an increase to the loan amount to \$75,000 and an extension of the maturity date.

5. Related Party Transactions

As of July 31, 2014, the Company has an aggregate of \$633 in non-interest bearing advances payable to Stephen Shepherd, CEO of the Company.

4. Stockholders' Equity

The Company's authorized capital consisted of 300,000,000 shares of common stock with a par value of \$0.00001 per share and 100,000,000 shares of preferred stock with a par value of \$0.00001 per share.

On June 10, 2014, the board of directors approved a forward split of the issued and outstanding shares on the basis of 1 new share for each 3 existing shares. Upon effectiveness of the forward split, the issued and outstanding shares of common stock increased from 47,097,800 to 141,293,400. Concurrent with the forward split, the Company also increased its authorized shares of stock to 400,000,000 shares, consisting of 300,000,000 shares of common stock with a par value of \$0.00001 per share and 100,000,000 shares of preferred stock with a par value of \$0.00001 per share. All share and per share amounts have been retroactively adjusted to reflect the forward stock split.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

This report on Form 10-Q contains certain forward-looking statements. All statements other than statements of historical fact are “forward-looking statements” for purposes of these provisions, including any projections of earnings, revenues, or other financial items; any statements of the plans, strategies, and objectives of management for future operation; any statements concerning proposed new products, services, or developments; any statements regarding future economic conditions or performance; statements of belief; and any statement of assumptions underlying any of the foregoing. Such forward-looking statements are subject to inherent risks and uncertainties, and actual results could differ materially from those anticipated by the forward-looking statements.

These forward-looking statements involve significant risks and uncertainties, including, but not limited to, the following: competition, promotional costs and the risk of declining revenues. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of a number of factors. These forward-looking statements are made as of the date of this filing, and we assume no obligation to update such forward-looking statements. The following discusses our financial condition and results of operations based upon our unaudited financial statements which have been prepared in conformity with accounting principles generally accepted in the United States. It should be read in conjunction with our financial statements and the notes thereto included elsewhere herein.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States Dollars (US\$) and all references to “common shares” refer to the common shares in our capital stock.

As used in this quarterly report, the terms “we”, “us”, “our” and “our company” mean Avra Inc., unless otherwise indicated.

General Overview

We were incorporated on December 1, 2010 under the laws of the State of Nevada. Our principal executive offices are located at 3790 El Camino Real, Suite 291, Palo Alto, California, 94306. Our telephone number is 866-287-2462. Our fiscal year end is January 31.

We are only beginning our operations in the Cryptocurrency space. We plan to specialize in the marketing and selling of mining equipment for Bitcoin and other altcoins as well as marketing and selling ATM machines for the same Cryptocurrency vendors. We plan on continuing to try to access the Smart TV market by selling, marketing and distribution of Smart TV boxes to home consumers throughout the United States. Smart TV boxes are devices that allow consumers to combine all of the benefits of the Internet with the large size and high definition capabilities of TV screens in the comfort of consumers' living rooms.

Our CEO and director, Stephen Shepherd and our new Secretary and director do not have any significant training or experience in the sales and distributions of electronics or bringing such new products to market however, they both have a keen interest in Bitcoin, electronics and our Smart TV business.

We anticipate that our flagship product will be the marketing and selling of Bitcoin hardware such as mining equipment and bitcoin ATM machines. This new line of products will be marketed through www.avranews.com, which will be information portal for crypto currencies. We have also acquired the domains avraWorld.com for our corporate site, avraPay.com for our payment solutions, avraATM for our ATM operations and avraTourism.com for our tourism specific projects. We will continue to seek a market for the Smart TV box labeled AvraKaddabra. This product will be a fully functional Smart TV box using the Android Operating System. Our current expectations are that the box will use the Android 4.0 Ice Cream Sandwich, with upgrades to follow in the future. We anticipate that this product will be an interactive television box that has an entire host of features which are commonly seen on other Smart TV Boxes, such as Google TV and Apple TV. Some of the more common features of the AvraKaddabra will include accessing the web, special applications for YouTube, Facebook and Twitter, Skype integration, and the ability to use the box as a wireless router for one's home.

Our company is also looking into the opportunities within the Bitcoin industry from different aspects within this new industry which will range from mining for Bitcoins, from establishing kiosks, a virtual wallet, to supplying mining equipment, and Bitcoin ATM machines. Our company at this time has not secured a deal and may not find a viable opportunity going forward but it would like to add this new line of business and technology to its existing line of SmartBox solutions. If we enter the Bitcoin space we will be seeking a reliable supply chain of bitcoin hardware manufacturers, chip makers, and manufacturers of bitcoin ATM machines.

The company is looking to provide a digital wallet solution under the Avra brand, and will likely come from a white labeled pre-existing wallet solution available. The company is currently looking at potential partners for this area of the business.

Potential opportunities in cryptocurrencies include involvement in the community for mining, development of supplying mining equipment, and the development of an online portal. With the market cap of bitcoin recently going over \$10 billion, it makes sense to look at this growing industry.

In addition, if we are successful in entering the cryptocurrency business, we will also be looking at securing from manufacturers a line of high speed encryption processors for use in Bitcoin and altcoin mining, research, telecommunication and security applications.

Also, our company will conduct its due diligence on how to develop and produce Bitcoin miners, which are designed for mining of virtual currency. We will want to develop a hardware solution that will allow people to mine and that will be affordable and will be available to consumers with the shortest possible delivery times.

As part of our hardware solution, we will look at designing and then producing state-of-the-art cryptocurrency ASIC processors and systems. We will look at producing a superior design with advanced architectures, economies of scale and vertical integration that will enable us to deliver cryptocurrency mining solutions with the highest performance.

Products

In the last few years, TV technology has advanced enough to create platforms that link to the Internet in very interactive and intuitive ways. In the mid 1990's the concept of WebTV was launched and soon after was deemed largely unsuccessful for its lack of intuitivism and weak user experience. However, in 2010, Google announced Google TV, which sparked a new wave of Smart TV devices. In September 2010, Apple announced their second iteration of their Smart TV device dubbed "Apple TV". Apple TV as well as Google TV Smart TV boxes are both proprietary systems, using their own operating systems.

A Smart TV device is defined as either a television set itself or a set top box that connects to a TV that has integrated internet capabilities and offers more advanced computing abilities and connectivity than an ordinary television set or set top box. Smart TVs or Smart TV boxes can also be thought as an information appliance that allows the user to not only connect to the internet, but also to download and run advanced applications and plugins that allow users to customize their television watching experience to their liking. Smart TVs run competing operating systems, such as Google's Android OS, Apple's iOS and other Linux based operating systems.

Smart TVs in general have two basic functions. The first function is to deliver content from other computers and network-attached storage devices on the local or remote networks, such as photos, videos, music and other media. The second and more commonly known function is to provide access to Internet-based services including traditional TV broadcasts, Video On-Demand, interactive advertising, personalization, games, social networking and other

multimedia applications.

Smart TV devices allow consumers to view all of the aforementioned advanced services via their flat-screen TV through a single device, as in integrated Smart TV or through a separate Smart TV box. In addition to providing access to content from TV stations, Smart TV platforms also enables users to access user-generated content, which can be watched via local storage on a hard drive or via a “Cloud Service”. Such services include YouTube, Vimeo and Flickr. Smart TV set-top boxes are increasingly commonplace among pay TV operators, as they look to meet the changing media consumption trends for more video content, advanced interactivity and Internet applications, such as social networking.

Many Smart TVs and Smart TV boxes now come prepackaged with social networking platforms and some are very well integrated into every aspect of the operating system itself. This capability allows users to receive updates and post their own updates regarding content that is currently being watched, to their social networking platform of choice, such as Facebook, Flickr and Twitter. The addition of social networking synchronization to Smart TV and other platforms may provide more interaction with both on-screen content and other viewers than is currently available to most televisions, while simultaneously providing a much more cinematic experience of the content than is currently available with most computers.

Our flagship product is a Smart TV box labeled AvraKaddabra. We expect that this product will be a fully functional Smart TV box using the Android operating system. Our current plans are to have the box use Android 4.0 Ice Cream Sandwich with other versions to be upgraded in the future. We anticipate that this product will be an interactive television box with an entire host of features that are commonly seen on other Smart TV boxes, such as Google TV and Apple TV. Some of the more common planned features of the AvraKaddabra include accessing the web, special applications for YouTube, Facebook and Twitter, Skype integration, and the ability to use the box as a wireless router for one's home. We also expect that the box will feature special web-widgets, which will be incorporated into the AvraKaddabra out of the box and will allow users to complete tasks very quickly without the need to open special applications. These widgets usually include a calculator, calendar, Smart box usage gauges, notes, dictionary, translator, device connection gauges and any other user preferences widgets. Widgets can also be downloaded from the android marketplace.

The intended features of the AvraKaddabra unit are outlined below. All of these features are planned for the AvraKaddabra, but these are forward looking statements and we cannot ensure that all desired features will be implemented in the product we are able to distribute.

AvraKaddabra Features

Internet

Accessing the Internet and the World Wide Web is the most common feature on all Smart TV boxes and will be featured on the AvraKaddabra. Users will be able to access information on any website, emails, including ones that use Adobe Flash and other proprietary web languages, such as JavaScript, etc. Flash games and video will be available to be played using the AvraKaddabra and this will be a feature not available on other smart boxes, such as Apple TV. Users will be able to configure their smart boxes according to the size of their TV screen. In order for text to render correctly, users will be able to resize text to their liking. Additionally, if text appears too small, then the web browser will feature a "Reader" option, which will automatically take the text and optimally size it to the screen, similar to the iPhone's "Reader" option in Safari.

Social Media Integration

The AvraKaddabra is expected to integrate Facebook and Twitter directly into its operating system, and will be a crucial part of the user experience. Users will be able to directly post a score of their game, tell friends what there are doing, or just share their thoughts directly from a widget on the main screen. Additionally, the "Like" button for Facebook will be included almost everywhere, so users can do things such as share their thoughts on a TV show they are currently watching, or even just comment on the TV show as they are watching it.

Users will be able to also download other applications, such as LinkedIn and social networking sites from other countries, such as China's QQ and Weibo, which are very popular. The device will allow for maximum user customization, and therefore, after these are downloaded, the operating system will have full integration with the websites, according to the application ("App") developers' requirements. For example, in the future, if LinkedIn is downloaded, it would be able to work together with Skype's video features to offer video conferencing capabilities for meetings and interviews, and the user will be able to integrate this into the LinkedIn App itself.

Android Marketplace and Apps

A major planned feature of the AvraKaddabra will be the ability to access Android's marketplace. This will allow the user to download any of the marketplace's hundreds of thousands of applications that are available. Users will be able to play games, such as Angry Birds or Cut The Rope. Since the user's smartphone will be the remote control, everything can be controlled using it, including touch and swipe gestures for games. Additionally, since the AvraKaddabra will be connected through HDMI, users will be able to experience these games in crystal clear high definition 1080P.

YouTube Integration, Media Streaming and Flash Capabilities

The AvraKaddabra is expected to have a YouTube application built into it out of the box. Anytime somebody clicks on a video that links to YouTube from any website, it will automatically open an integrated YouTube App. Additionally, users will have the option to open videos directly from the website that the user is on.

YouTube, as well as other video streaming applications, such as Vimeo use Adobe Flash are heavily restricted on some platforms, such as all Apple iOS devices. This will not be a problem for AvraKaddabra users, as we plan for the box to have full Flash capabilities. The device will come packed with the latest version Adobe Flash out of the box. When new versions of Flash are available, a notification will be sent to the device and the user will have the option to download it directly to the device.

Skype Integration

We anticipate that AvraKaddabra will ship with Skype integrated into the device out of the box. Skype integration will allow for teleconferencing capabilities and will also allow for video conferencing capabilities. A webcam with a microphone will need to be connected to the box through one of the device's USB ports in order to allow for video conferencing. Additionally, the user could attach a dedicated microphone to the device through USB, which would allow the user to speak throughout the entire room.

The user would be able to use their existing Skype account to sign in through the Skype App on the AvraKaddabra. If the account has a balance on it, the user would be able to see it on the App itself. If the user wants to call a landline phone using the Skype App, money from the balance would automatically be deducted, just as it would from one's computer or smartphone's Skype App. Additionally, Skype will be integrated with Facebook and other social networking sites to be able to video conference, just as one would be able to from their computer. Videoconferencing to multiple people will also be available, and will be optimal for the user's large TV screen. This capability will be integrated into the App itself.

Device Mirroring

Device mirroring allows the content from one's smartphone or tablet computer to be wirelessly transmitted to one's TV screen. This allows anybody to duplicate anything they are seeing on their smartphone or tablet to their TV set, with very little lag, in high definition. Users can see any content on their smart phones or tablets, such as videos, games, photos, website content and any other content wirelessly transmitted to their TV. Audio content will also be included, so music or audio from videos would be transmitted to their TV, and will play through the TV's integrated speakers or any stereo system that is connected to the TV.

Router Capabilities

We expect that AvraKaddabra will be able to act as a wireless router, which will eliminate the need for the purchase of a wireless router. It will feature an 802.11 N/G/B wireless connection frequencies, and can be placed next to the user's cable modem or DSL connection through an Ethernet cable. The box will be able to transmit Wi-Fi frequencies

throughout the user's household, which will allow the user to connect to Wi-Fi on their smartphone, computer, tablet, and any other device that has Wi-Fi capabilities. The user will have full customization options, including multiple connection preferences with multiple passwords.

Distribution and Marketing

Our initial efforts will be centered in developing our brand image. In order for this to happen effectively, we expect to engage in an aggressive advertising and marketing campaign before the product's launch. From there we will try to expand our business through several methods. These methods include:

- *Trade Shows* – A highly effective medium to help promote the brand of Avra Inc. as well as the AvraKaddabra Smart TV Box. It will be important for our company to effectively distinguish its system from every other Smart TV box and system that exists on the market. Our company will hire top marketers in the industry to run its trade show marketing campaigns. Our company will rent large booths at top trade shows in the U.S., such as the Consumer Electronics Show in Las Vegas.
- *Electronics and Technology Blogs* – It will be important for our company to get attention from top technology blogs and websites in the U.S. Such large blogs include Engadget.com, Gizmodo.com and Wired.com. The reviews and attention that these weblogs provide are key to the success of a lot of technology companies in the U.S. Casual readers as well as professionals in the community read these blogs on a daily basis to be informed on the latest news. This is an effective way of getting positive attention for our company. In addition, this is a free way of getting the message out.
- *Word of Mouth* – Since it is imperative for our company to build a brand image, it will rely on word of mouth to help sustain its business. This will be kick started by effective advertising in other areas, such as TV advertising and Internet advertising. Later on people will tell their friends how great the AvraKaddabra device is.
- *Google Ads and Local Websites* – We plan to advertise on the Internet on local websites, including Google Ads on popular local social and news websites. This is a highly effective method of obtaining younger and more internet-savvy customers.
- *Traditional Advertising* – Advertising, such as on billboards, magazines, newspapers, and local television stations are an effective method of gaining customers of all demographics.
- *Search Engine Optimization Marketing* – We plan on having a budget to market our brand and corporate identity on various search engines.

We plan to sell our AvraKaddabra Smart TV box through a number of distribution channels. These will include:

- *Large Electronics Retail Outlets* – Stores such as Best Buy and Sears have proved to be the best way of selling items such as electronics and other related products. However, we hope to gradually depend less on these stores as time goes by and as Internet selling picks up steam. We do not currently have any arrangements to place our products in these retail outlets and there can be no assurance that we will be able to make such arrangements.
- *Smaller Retail Outlets* – Small and local stores in areas where larger retail outlets do not exist will prove to be an effective channel of distribution when the product launches. However, as Internet sales pick up, our company will gradually lessen our dependence on this method. We do not currently have any arrangements to place our products in these retail outlets and there can be no assurance that we will be able to make such arrangements.
- *Internet Sales* – We will depend largely on this method of sales heavily as this product will be mainly targeted to Internet and technology savvy consumers, who primarily buy items like the AvraKaddabra on the Internet. Our company plans to sell via our own website www.avrakadabba.com in addition to major electronics websites, such as Bestbuy.com, Amazon.com, and Ebay.com. Our website is live but the Company is looking at updating its website presence in the near future.

Competition

The home electronics industry is highly competitive. We are a new start-up stage company and have a weak competitive position in the industry. We compete with junior and senior home electronics companies. Many of the home electronics companies with which we compete for financing and for the acquisition of customers have greater

financial and technical resources than those available to us. Accordingly, these competitors may be able to spend greater amounts on product development, marketing and distribution. This advantage could enable our competitors to acquire larger market share and develop more competitive products. Such competition could adversely impact our ability to attain the financing necessary for us to develop our business plan.

In the face of competition, we may not be successful in sufficient market share to make our business profitable. Despite this, we hope to compete successfully in the home electronics industry by:

- keeping our costs low;
- relying on the strength of our management's passion and knowledge of the market; and
- using our size and experience to our advantage by adapting quickly to changing market conditions or responding swiftly to potential opportunities.

Government Regulations

There are no governmental regulations that are material to our operations.

Environmental Regulations

We are not aware of any material violations of environmental permits, licenses or approvals that have been issued with respect to our operations. We expect to comply with all applicable laws, rules and regulations relating to our business, and at this time, we do not anticipate incurring any material capital expenditures to comply with any environmental regulations or other requirements.

While our intended projects and business activities do not currently violate any laws, any regulatory changes that impose additional restrictions or requirements on us or on our potential customers could adversely affect us by increasing our operating costs or decreasing demand for our products or services, which could have a material adverse effect on our results of operations.

Intellectual Property

We have not filed for any protection of our trademark, and we do not have any other intellectual property. We have reserved the domain names www.avrakadabbra.com, www.avraworld.com, www.avraATM.com, www.avraPay.com, www.avraNews.com and www.avraTourism.com and begun the development of our new bitcoin website.

Employees

We do not have any employees. Our CEO and director and officer are anticipated to devote approximately 60 hours per week to our affairs. We also engage a number of consultants.

Research and Development

We have incurred \$0.00 in research and development expenditures over the last two fiscal years. However, we plan on spending \$10,000 in R&D of bitcoin hardware solutions.

Purchase of Significant Equipment

We anticipate purchasing approximately \$12,000 worth of inventory for testing over the twelve months.

Results of Operations

The following summary of our results of operations should be read in conjunction with our financial statements for the quarter ended July 31, 2014, which are included herein.

Our operating results for the three and six months ended July 31, 2014 and 2013 are summarized as follows:

Three Months Ended		Six Months Ended	
July 31,		July 31	
2014	2013	2014	2013

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Revenue	\$	Nil	Nil	\$	Nil	\$	Nil
Bank charges and interest	\$	183\$	Nil	\$	306	\$	Nil
General and administrative	\$	513\$	Nil	\$	513	\$	Nil
Marketing and advertising	\$	Nil\$	Nil	\$	1,900	\$	Nil
Transfer agent and filing fees	\$	4,070\$	3,810	\$	4,530	\$	4,735
Foreign exchange loss (gain)	\$	14\$	(102)	\$	38	\$	(165)
Professional fees	\$	10,463\$	3,876	\$	20,655	\$	14,239
Interest expense	\$	1,046\$	Nil	\$	1,843	\$	Nil
Net Loss	\$	(16,289)\$	(7,584)	\$	(29,785)	\$	(18,809)

We have not earned any revenues since our inception and we do not anticipate earning revenues in the upcoming quarter.

Our net loss for the three-month period ended July 31, 2014 increased primarily due to increases in professional fees and interest expenses. Our net loss for the six-month period ended July 31, 2014 increased primarily due to an increase in marketing, advertising professional fees and interest expenses. Our net loss from inception is \$125,488.

Liquidity and Capital Resources

Working Capital

		At		At
		July 31, 2014		January 31, 2014
Current Assets	\$	Nil	\$	1,071
Current Liabilities	\$	80,792	\$	(52,078)
Working Capital Deficit	\$	(80,792)	\$	(51,007)

Our total current assets as of July 31, 2014 were \$0 as compared to total current assets of \$1,071 as of January 31, 2014. Our total current liabilities as of July 31, 2014 were \$80,792 as compared to total current liabilities of \$52,078 as of January 31, 2014. The increase in current liabilities was attributed to increases in accounts payable, accrued liabilities, short-term loans, and payable due to related party.

Cash Flows

		Six Months Ended	
		July 31,	
		2014	2013
Net Cash Used in Operating Activities	\$	(18,204)	\$ (4,881)
Net Cash Provided by Financing Activities	\$	17,133	\$ 5,000
Increase (decrease) in Cash During the Period	\$	(1,071)	\$ 119

Operating Activities

Cash used in operating activities during the six-month period ended July 31, 2014 was \$18,204 due to the operating expenses incurred. Cash used in operating activities during the six-month period ended July 31, 2013 was \$4,881 due to the operating expenses incurred.

Investing Activities

We did not have any investing activities during the six months ended July 31, 2014 and 2013.

Financing Activities

The increase in cash provided by financing activities during the six-month period ended July 31, 2014 compared to the same period in 2013 was due to proceeds from a short-term loan and from a related party.

Plan of Operation

We are only beginning our operations. We anticipate that we will meet our ongoing cash requirements through equity or debt financing. We estimate that our expenses over the next 12 months (beginning October 2014) will be

approximately \$179,000 as described in the table below. These estimates may change significantly depending on the nature of our future business activities and our ability to raise capital from shareholders or other sources.

Description	Estimated Completion Date	Estimated Expenses (\$)
Legal and accounting fees	12 months	\$32,000
Purchase of inventory for testing	12 months	12,000
Website and shopping cart	12 months	6,000
Management and operating costs	12 months	30,000
Salaries and consulting fees	12 months	24,000
Investor relations and capital raising	12 months	18,000
Fixed asset purchases	12 months	8,000
Social media and online sales marketing	12 months	9,000
General and administrative expenses	12 months	40,000
Total		\$179,000

We intend to meet our cash requirements for the next 12 months through a combination of debt financing and equity financing by way of private placements. We decided to become a reporting company to be better equipped to raise capital by providing the transparency to the public of our operations and development. We currently do not have any arrangements in place to complete any private placement financings and there is no assurance that we will be successful in completing any such financings on terms that will be acceptable to us.

If we are not able to raise the full \$179,000 to implement our business plan as anticipated, we will scale our business development in line with available capital. Our primary priority will be to retain our reporting status with the SEC which means that we will first ensure that we have sufficient capital to cover our legal and accounting expenses. Once these costs are accounted for, in accordance with how much financing we are able to secure, we will focus on product acquisition, testing and servicing costs as well as marketing and advertising of our products. We will likely not expend funds on the remainder of our planned activities unless we have the required capital.

If we are able to raise the required funds to fully implement our business plan, we plan to implement the below business actions in the order provided below. If we are not able to raise all required funds, we will prioritize our corporate activities as chronologically laid out below because the activity which needs to be undertaken in the initial months is prerequisite for future operations. We anticipate that the implementation of our business will occur as follows:

September 30, 2014 to December 2014:

- Continual Testing of the Smart box units acquired from various suppliers by us as technology is changing very quickly.
- Complete and launch our bitcoin website.
- Continue evaluations of manufacturers of bitcoin mining equipment.
- Develop or acquire an e-Wallet.
- Continue development of ATM partners and payment solutions.
- Design marketing materials.
- Market products to large retailers and distributors.
- Complete certain asset purchases such as inventory for the various products we will acquire.
- Look at other Complementary technologies to add to the sales and marketing strategy.

January 2015 to August 2015:

- If initial testing is successful, order additional units from Smart box suppliers and manufacturers.
- Review opportunities for establishment of retail locations.

- If initial testing is successful, order additional units from bitcoin suppliers and manufacturers.
- Roll out ATM software to partners to allow ATM bitcoin purchases.
- Roll out bitcoin payment solution to merchants.
- Attend trade shows.
- Hire personnel to market our products.
- Test and market new products that complement the existing line of Smart Boxes.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with the accounting principles generally accepted in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financial statements.

Foreign Currency Translation

The Company's planned operations will be in the United States, which results in exposure to market risks from changes in foreign currency exchange rates. The financial risk is the risk to the Company's operations that arise from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company's functional currency for all operations worldwide is the U.S. dollar. Nonmonetary assets and liabilities are translated at historical rates and monetary assets and liabilities are translated at exchange rates in effect at the end of the year. Revenues and expenses are translated at average rates for the year. Gains and losses from translation of foreign currency financial statements into U.S. dollars are included in current results of operations.

Revenue Recognition

Sales are recorded when products are shipped to customers. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. No provision for discounts or rebates to customers, estimated returns and allowances or other adjustments were recognized during the six months ended July 31, 2014. In instances where products are configured to customer requirements, revenue is recorded upon the successful completion of the Company's final test procedures and the customer's acceptance. The Company has not made any sales as at July 31, 2014.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

Not applicable because we are a small reporting company.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our president (our principal executive officer, principal financial officer and principal accounting officer), as appropriate to allow timely decisions regarding required disclosure.

We carried out an evaluation, under the supervision and with the participation of our management, including our president (our principal executive officer, principal financial officer and principal accounting officer), of the

effectiveness of the design and operation of our disclosure controls and procedures as of quarter covered by this report. Based on the evaluation of these disclosure controls and procedures the president (our principal executive officer, principal financial officer and principal accounting officer) concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this quarterly report due to the lack of adequate segregation of duties and the absence of an audit committee.

Changes in Internal Controls

During the quarter covered by this report there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

Not applicable because we are a small reporting company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

No.	Description
31.1	Certification Required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
32.1	
101.INS	XBRL Instance Document †
101.SCH	XBRL Taxonomy Extension Schema Document †
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document †
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document †
101.LAB	XBRL Taxonomy Extension Label Linkbase Document †
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document †

* In accordance with SEC Release 33-8238, Exhibits 32.1 is furnished and not filed.

†Furnished herewith. XBRL (eXtensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AVRA, INC.

Date: September 15, 2014

By:

/s/ Stephen Shepherd
Stephen Shepherd

Chief Executive Officer and Chief
Financial Officer

(Principal Executive Officer and
Principal Financial Officer)

