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TDT DEVELOPMENT INC
Form 10QSB
May 15, 2002

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

Quarterly report under Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the quarterly period ended March 31, 2002

Transition report under Section 13 or 15(d) of the Exchange Act

For the transition period from _____ to _____

Commission File Number: 333-54822

TDT DEVELOPMENT, INC.

(Name of Small Business Issuer in its charter)

NEVADA

22-3762835

(State or other jurisdiction of
incorporation or organization)

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

140 De O., Montreal, Quebec, Canada

H2P 1H2

(Address of principal executive offices)

(Zip Code)

(514) 383-6824

Issuer's telephone number

1844 SW 16th Terrace, Miami, Florida 33145

(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common
equity, as of the latest practicable date: At April 18, 2002, the issuer had
outstanding 8,381,000 shares of Common Stock.

Transitional Small Business Disclosure Format: Yes No

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TDT DEVELOPMENT, INC.
MARCH 31, 2002

QUARTERLY REPORT ON FORM 10-QSB

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

To the extent that the information presented in this Quarterly Report on Form-QSB for the quarter ended March 31, 2002 discusses financial projections, information or expectations about our products or markets, or otherwise makes statements about future events, such statements are forward-looking. We are making these forward-looking statements in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These risks and uncertainties are described, among other places in this Quarterly Report, in "Management's Discussion and Analysis or Plan of Operation."

In addition, we disclaim any obligations to update any forward-looking statements to reflect events or circumstances after the date of this Quarterly Report. When considering such forward-looking statements, you should keep in mind the risks referenced above and the other cautionary statements in this Quarterly Report.

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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Consolidated Balance Sheet

| | March 31, 2002 ----- (Unaudited) ----- |
|---|--|
| Assets | |
| Current assets: | |
| Cash | \$ 1,053 |
| Accounts receivable, net of allowance for doubtful accounts of \$1,150 | 24,745 |
| Commissions receivable | 7,000 |
| Inventory | 42,819 |
| Total current assets | 75,617 |
| Fixed assets: | |
| Office furniture, net of accumulated depreciation of \$ 1,674 | 2,545 |
| Computers and equipment, net of accumulated depreciation of \$5,117 | 7,982 |
| Total fixed assets | 10,527 |
| Other assets: | |
| Security deposits | 160 |
| Total assets | \$ 86,304 |
| Liabilities and Shareholders' Equity | |
| Current liabilities: | |
| Revolving credit line | \$ 6,222 |
| Accounts payable | 1,151 |
| Loans payable to shareholders | 19,952 |
| Accrued expenses payable | 30,999 |
| Total liabilities | 58,324 |
| Shareholders' equity: | |
| Common stock, 50,000,000 shares authorized; 8,381,000 shares issued and outstanding; par value \$.0001 | 838 |
| Preferred stock, 5,000,000 shares | |

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| | |
|---|---------------|
| authorized; -0- shares issued and outstanding; par value \$.0001 | -- |
| Additional paid in capital | 305,707 |
| Retained earnings (deficit) | (278,565) |
| | ----- |
| Total shareholders' equity | 27,980 |
| | ----- |
| Total liabilities and shareholders' equity | \$ 86,304 |
| | ===== |

See accompanying Notes to Consolidated Financial Statements.

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Consolidated Statements of Operations
(Unaudited)

| | Three Months Ended March 31 | |
|-------------------------------------|--------------------------------|-------------|
| | 2002 | 2001 |
| | ----- | |
| (Unaudited) | | |
| Revenues: | | |
| Net sales | \$ 10,223 | \$ 33,644 |
| Cost of sales | 5,395 | 13,857 |
| | ----- | ----- |
| Gross profit | 4,828 | 19,787 |
| Commissions | -- | -- |
| | ----- | ----- |
| Total Revenues | 4,828 | 19,787 |
| | ----- | ----- |
| Operating Expenses: | | |
| General and administrative expenses | 43,031 | 21,775 |
| Selling expenses | 5,587 | 17,643 |
| | ----- | ----- |
| Total expenses | 48,618 | 39,418 |
| | ----- | ----- |
| Other Income and Expenses: | | |
| Miscellaneous income | -- | -- |
| Interest income | 5 | 1,371 |
| Interest expense | (498) | (413) |
| | ----- | ----- |
| Total other income and expenses | (493) | 958 |
| | ----- | ----- |
| Net income (loss) | \$ (44,283) | \$ (18,673) |
| | ===== | ===== |

Net income (loss) per share:

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| | | |
|--|-----------|-----------|
| Basic | \$ (0.01) | \$ 0.00 |
| | ===== | ===== |
| Weighted average common shares used in calculation of net income (loss) per share | 8,381,000 | 8,371,000 |
| | ===== | ===== |

See accompanying Notes to Consolidated Financial Statements.

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Consolidated Statements of Cash Flows
(Unaudited)

| | Three Months Ended March 31, | |
|--|---------------------------------|-------------|
| | 2002 | 2001 |
| | ----- | ----- |
| | (Unaudited) | (Unaudited) |
| Cash flows from operating activities: | | |
| Net loss | \$ (44,283) | \$ (18,673) |
| Adjustments to reconcile net loss to cash used by operating activities: | | |
| Depreciation | 865 | 564 |
| | ----- | ----- |
| | (43,418) | (18,109) |
| (Increase) decrease in accounts receivable | 6,778 | (2,337) |
| (Increase) decrease in inventory | 4,823 | (5,436) |
| (Increase) in commissions receivable | (7,000) | -- |
| (Decrease) in operating accounts payable | -- | (37,323) |
| Increase (decrease) in accrued expenses | 18,416 | (3,529) |
| | ----- | ----- |
| Cash used by operating activities | (20,401) | (66,734) |
| | ----- | ----- |
| Cash flows from financing activities: | | |
| Proceeds from stockholders' loans | 4,848 | -- |
| Proceeds of private placement offering | -- | 59,000 |
| Revolving credit line borrowings | 498 | (59) |
| | ----- | ----- |
| Cash provided by financing activities | 5,346 | 58,941 |
| | ----- | ----- |
| Increase (decrease) in cash | (15,055) | (7,793) |
| Cash, beginning of period | 16,108 | 210,359 |
| | ----- | ----- |
| Cash, end of period | \$ 1,053 | \$ 202,566 |
| | ===== | ===== |
| Supplemental cash flow disclosures: | | |
| Cash paid for interest | \$ -- | \$ 413 |
| | ===== | ===== |
| Cash paid for taxes | \$ -- | \$ -- |
| | ===== | ===== |

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See accompanying Notes to Consolidated Financial Statements.

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Notes to Consolidated Financial Statements (Unaudited)

1. Consolidated Financial Statements

The accompanying financial statements include the accounts of TDT Development, Inc. and its wholly owned subsidiaries Terre di Toscana, Inc and Terres Toscanes, Inc. (The "Company", "TDT"). All significant intercompany balances and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements of TDT Development, Inc. have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Item 310(b) of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all normal and recurring adjustments and accruals considered necessary for a fair presentation have been included. Operating results for the three-month period ended March 31, 2002 are not necessarily indicative of the results that may be expected for the year ended December 31, 2002. For further information, refer to the financial statements and footnotes thereto included in the Company's annual shareholders' report incorporated by reference in the Form 10-KSB for the year ended October 31, 2001.

On March 1, 2002, the Board of Directors of TDT Development, Inc. approved a change of the Company's fiscal year to December 31 from October 31, effective March 1, 2002 and a Form 10-Q/T report was filed on April 22, 2002 with the Securities and Exchange Commission for the two-month period ended December 31, 2001.

2. Inventories

Inventories of TDT Development, Inc. are stated at the lower of cost or market. Cost is determined using the first-in first-out (FIFO) method. Inventories consist of the following:

| | |
|----------------|-----------|
| | March 31 |
| | 2002 |
| | ----- |
| Finished goods | \$ 42,819 |
| | ===== |

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

You should read the following discussion and analysis in conjunction with the audited financial statements (and notes thereto) and other financial information of our company appearing elsewhere in this report.

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We have focused primarily on capital issues and on expanding our business during the three months ended March 31, 2002.

RESULTS OF OPERATIONS

Total revenues for the three months ended March 31, 2002 were \$4,828 as compared to \$19,787 for the three months ended March 31, 2001. Our cost of goods sold for the three months ended March 31, 2002 was \$5,395 as compared to \$13,857 for the three months ended March 31, 2001. Our gross profit on sales was \$4,828 for the three months ended March 31, 2002 as compared to \$19,787 for the three months ended March 31, 2001.

Selling and general and administrative expenses for the three months ended March 31, 2002 were \$48,618 as compared to \$39,418 for the three months ended March 31, 2001.

LIQUIDITY AND CAPITAL RESOURCES

For the three months ended March 31, 2002, we had net cash used in operating activities of \$(20,401) as compared to \$(66,734) for the three months ended March 31, 2001.

Cash provided by financing activities for the three months ended March 31, 2002 was \$5,346 as compared to \$58,941 for the three months ended March 31, 2001.

At March 31, 2002, we had cash in the amount of \$1,053 as compared to \$202,566 at March 31, 2001.

We believe that our current cash will be sufficient to meet our anticipated cash needs for working capital and capital expenditures for at least the next twelve months. If cash generated from operations is insufficient to satisfy liquidity requirements, we may seek to sell additional equity or debt securities or to obtain a credit facility. If we issue debt securities, fixed obligations will increase and we may have to comply with covenants that might inhibit our operations. Moreover, such financing may not be available in amounts or on terms acceptable to us, if at all.

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PART II OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

None.

(b) Reports on Form 8-K.

On March 12, 2002 a Form 8-K was filed by the Registrant which disclosed that on March 1, 2002, the Board of Directors of TDT Development, Inc. ("TDT" or the "Company") approved a change of the Company's fiscal year to December 31 from October 31, effective March 1, 2002.

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SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant

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caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TDT DEVELOPMENT, INC.
(Registrant)

Date: May 15, 2002

By: /s/ Pietro Bortolatti

Pietro Bortolatti, CEO, CFO, President,
and Chairman of the Board

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