

Diamond Ranch Foods, Ltd., NEW
Form 8-K
May 25, 2010

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

January 13, 2010

DIAMOND RANCH FOODS, LTD.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or
organization)

20-1389815
(I.R.S. Employer Identification No.)

355 Food Center Drive B-1, Bronx, NY
(Address of Principal executive offices)

10474
(Zip Code)

Registrant's telephone number, including area code.

(718) 991-9595

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 4 - Matters Related to Accountants and Financial Statements

Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review

On January 13, 2010, the Registrant received comments from the Staff of the Securities and Exchange Commission (*SEC*). The Registrant has concluded, based on the discussion between the Registrant's principal financial officer and independent auditor, to restate 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, March 31, March 31, March 31, March 31,

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| | 2009 | 2009 | 2009 | 2008 | 2008 | 2008 |
|---|----------------------------|------------|------------|----------------------------|------------|--------------|
| | As originally stated | Adjustment | Restated | As originally stated | Adjustment | Restated |
| 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:

| | | | | | | |
|--|--------------|--------------------------|--------------|--------------|--------------------------|--------------|
| Accounts Payable and Accrued Expenses | \$ 1,744,568 | | \$ 1,744,568 | \$ 1,225,395 | | \$ 1,225,395 |
| 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:

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| | | | | | |
|-----------------------------|------------------|--------------------|------------------|------------------|--------------------|
| 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, \$0.0001 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.

DIAMOND RANCH FOODS, LTD
STATEMENTS OF OPERATIONS

| | March 31, 2009 | March 31, 2009 | March 31, 2009 | March 31, 2008 | March 31, 2009 | March 31, 2008 |
|---|----------------------------|------------------------|-------------------|-------------------------|--------------------------|-------------------|
| | As originally stated | Adjustment | Restated | As originally stated | Adjustment | Restated |
| 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) |

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| | | | | | |
|-------------------------------------|------------|------------|------------|------------|------------|
| Basic & Diluted (Loss) Per Share | \$ (0.144) | \$ (0.058) | \$ (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.

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 rescinded | - | - | (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, 2008 | 5,284,000 | 528 | 32,398 | 3 | 3,805,768 | (6,739,444) | (100,000) | (3,033,145) |
| Shares rescinded | - | - | (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) |

DIAMOND RANCH FOODS, LTD
STATEMENTS OF EQUITY
RESTATED

| | Preferred Stock | | Common Stock | | Additional Paid-in Capital | Retained Earnings (Deficit) | Total |
|---|-----------------|--------|--------------|----------|----------------------------------|-----------------------------------|----------------|
| | Shares | Amount | Shares | Amount | | | |
| 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) |

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 | - | | - |

| | | | | | | |
|--|-----------|--------------------------|-----------|-----------|------------------------|-----------|
| 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 | - | - |
| Cash and Cash Equivalents at End of Period | 7,057 | 7,057 | 20,791 | 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 | \$ 108,200 | \$ 3,500 | \$ 3,500 |
| Stock issued for marketable securities | \$ - | \$ - | \$ - | \$ 528,400 |
| | | | \$ 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.

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 hereunto duly authorized.

Diamond Ranch Foods, Ltd.

By: /s/ Louis Vucci, Jr.

Date: May 25, 2010

Louis Vucci, Jr., President