

North Horizon, Inc.
Form 10-Q
August 15, 2011

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

☒ (x) Quarterly Report Under Section 13 or 15(d) Of the Securities Exchange Act of 1934 For Quarterly Period Ended June 30, 2011.

☐ () Transition Report Under Section 13 or 15(d) of the Exchange Act.

For the transition period from_____ to_____.

Commission File Number: 000-52991

NORTH HORIZON, INC.

(Exact name of registrant as specified in its charter)

NEVADA

87-0324697

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

2290 East 4500 South, Suite 130

Salt Lake City, Utah 84117

(Address of principal executive offices)

(801)278-9925

Registrant's telephone number including area code

Former Address, 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 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 x
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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No

Indicate by check mark whether the registrant is a large accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer ()

Accelerated filer ()

Non-accelerated filer ()

Smaller reporting company (x)

Indicate by check mark whether the registrant is a shell company

(as defined in Rule 12b-2 of the Exchange Act). Yes x No

As of August 15, 2011, Registrant had 13,251,250 shares of common stock, par value of \$.001 per share, issued and outstanding.

PART I**ITEM I - FINANCIAL STATEMENTS**

The condensed financial statements included herein have been prepared by North Horizon, Inc. (the "Company", "Registrant", "we", "us", or "our"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although we believe that the disclosures are adequate to make the information presented not misleading.

In our opinion, all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the financial position of the Company as of June 30, 2011, and the results of our operations from January 1, 2011, through June 30, 2011, and for the three month period from April 1, 2011, to June 30, 2011 have been made. The results of our operations for such interim periods are not necessarily indicative of the results to be expected for the entire year.

NORTH HORIZON, INC.
(A Development Stage Company)
Consolidated Balance Sheets

ASSETS

	June 30, 2011 (unaudited)	December 31, 2010
CURRENT ASSETS		
Cash	\$ -	\$ -
Total Current Assets	-	-
TOTAL ASSETS	\$ -	\$ -

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)**CURRENT LIABILITIES**

Edgar Filing: North Horizon, Inc. - Form 10-Q

Accounts payable	\$	1,800	\$	-
Related-party payable		54,441		48,066
Total Current Liabilities		56,241		48,066

STOCKHOLDERS' EQUITY (DEFICIT)

Common stock; 80,000,000 shares authorized, at \$0.001 par value, 13,251,250 shares issued and outstanding		13,251		13,251
Additional paid-in capital		3,215,154		3,213,664
Deficit accumulated during the development stage		(3,284,646)		(3,274,981)
Total Stockholders' Equity (Deficit)		(56,241)		(48,066)

TOTAL LIABILITIES AND
STOCKHOLDERS'
EQUITY (DEFICIT)

\$ - \$ -

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

NORTH HORIZON, INC.
(A Development Stage Company)
Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,		From Re-entering the Development Stage on January 1, 2002 through June 30, 2011
	2011	2010	2011	2010	2011
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES					
General and administrative expense	3,845	12,070	8,915	13,450	62,920
Total Operating Expenses	3,845	12,070	8,915	13,450	62,920
LOSS FROM OPERATIONS	(3,845)	(12,070)	(8,915)	(13,450)	(62,920)
OTHER INCOME (EXPENSES)					
Interest expense	(387)	-	(750)	-	(750)
DISCONTINUED	-	-	-	-	(3,220,976)

OPERATIONS

LOSS BEFORE INCOME TAXES	(4,232)	(12,070)	(9,665)	(13,450)	(3,284,646)
PROVISION FOR INCOME TAXES	-	-	-	-	-
NET LOSS	\$ (4,232)	\$ (12,070)	\$ (9,665)	\$ (13,450)	\$ (3,284,646)
BASIC LOSS AND DILUTED LOSS PER SHARE	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	13,251,250	13,251,250	13,251,250	13,251,250	

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

NORTH HORIZON, INC.
(A Development Stage Company)
Consolidated Statements of Cash Flows
(Unaudited)

	For the Six Months Ended June 30,		From Re-entering the Development Stage on January 1, 2002 through June 30, 2011
	2011	2010	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$ (9,665)	\$ (13,450)	\$ (3,284,646)
Adjustments to reconcile net loss to net cash used by operating activities:			
Common stock issued for services	-	-	976
Imputed interest	750	-	750
Services contributed by shareholders	740	700	3,290
Changes in operating assets and liabilities			
Change in accounts payable	1,800	(210)	1,800
Net Cash Used in Operating Activities	(6,375)	(12,960)	(3,277,830)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in related party payable	6,375	12,960	57,830
Sale of common stock	-	-	3,220,000
Net Cash Provided by Financing Activities	6,375	12,960	3,277,830
NET CHANGE IN CASH	-	-	-
CASH AT BEGINNING OF PERIOD	-	-	-
CASH AT END OF PERIOD	\$ -	\$ -	\$ -
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
CASH PAID FOR:			
Interest	\$ -	\$ -	\$ -
Income Taxes	\$ -	\$ -	\$ -
NON CASH FINANCING ACTIVITY			

Edgar Filing: North Horizon, Inc. - Form 10-Q

Common stock issued for debt	\$	-	\$	-	\$	3,389
------------------------------	----	---	----	---	----	-------

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

NOTE 1 - CONDENSED FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at June 30, 2011, and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 2010 audited financial statements. The results of operations for the periods ended June 30, 2011 and 2010 are not necessarily indicative of the operating results for the full years.

NOTE 2 - GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plan is to obtain such resources for the Company by obtaining capital from management and significant shareholders sufficient to meet its minimal operating expenses and seeking equity and/or debt financing. However management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with 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. Actual results could differ from those estimates.

Recent Accounting Pronouncements

The Company has evaluated recent accounting pronouncements and their adoption has not had or is not expected to have a material impact on the Company's financial position or statements.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Company has recorded expenses paid on its behalf by shareholders as a related party payable. At June 30, 2011, this payable totaled \$54,441. The amount is unsecured and is payable on demand. Interest has been imputed on the related party payable at 3% and has been recorded as a contribution to capital. For the six months ended June 30, 2011, \$750 was recorded as imputed interest. During the six months ended June 30, 2011, the Company's president performed legal services valued at \$740 which have been recorded as a contribution to capital.

NOTE 5 – SUBSEQUENT EVENTS

On July 13, 2011, the Company entered into a Merger Agreement and Plan of Merger ("Agreement") with FasTrack Pharmaceuticals, Inc., a Delaware corporation. FasTrack was organized in October 2008. FasTrack is engaged in the business of the development of pharmaceutical products. FasTrack has unique delivery platforms and know-how which provide a basis for the therapeutic drugs under development.

In order to facilitate the merger, on June 23, 2011, the Company formed a wholly-owned subsidiary, North First General, Inc., whereby North First General will be merged with and into FasTrack and 100% of the issued and outstanding shares of FasTrack common stock will be exchanged for shares of the Company's common stock, whereupon FasTrack will be the surviving corporation and become the wholly owned subsidiary of the Company. The shareholders, convertible note holder, and warrant holder of FasTrack will receive in the transaction the number of shares comprising ninety-two percent (92%) of the fully-diluted shares of the Company as of the closing which shares will be issued after the reverse split.

Prior to the Closing the Company will amend its Articles of Incorporation to change its name and to increase its authorized capital to 150,000,000 shares of common stock, par value of \$.001 per share and will adopt a recapitalization by a reverse stock split on the basis of ten shares into one share for the issued and outstanding shares of the Company's common stock. Pursuant to the terms of the Agreement the current directors will resign and appoint

three new directors, Vivian Liu; Henry Esber, Ph.D.; and Ziad Mirza, M.D. The appointment of the new directors will become effective upon their acceptance and the closing. It is anticipated that the Company's principal shareholder who owns approximately sixty-three percent (63%) of the issued and outstanding shares of common stock will approve by written consent the foregoing proposals to amend the Company's Articles of incorporation.

The closing will cause a change in control of the Company. Presently the Company has 13,251,250 shares of common stock issued and outstanding. The effect of the reverse split will be to reduce that number to 1,325,125. To acquire the shares of FasTrack the Company will issue to the FasTrack shareholders, convertible note holder, and warrant holder, on a fully-diluted basis, approximately 15,238,938 shares (post reverse split). When these shares are issued, the Company will then have outstanding approximately 16,564,063 shares of common stock.

In accordance with ASC 855-10, Company management reviewed all material events through the date of this report and there are no additional material subsequent events to report.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read with the financial statements and notes appearing in this Form 10-Q.

Plan of Operations.

We have not engaged in any material operations during the period ended June 30, 2011. Over the past several years we have not engaged in any material operations other than matters pertaining to our corporate existence. We reported that we have entered into a Merger Agreement and Plan of Merger with FasTrack Pharmaceuticals, Inc., whereby FasTrack will become a wholly owned subsidiary. This was reported in a Report on Form 8-K filed on July 20, 2011. At the present time we are considered to be a development stage company and we have no assets.

Our cash requirements during the next twelve month period will change relating to the acquisition of FasTrack and its operations. At a minimum we will incur expenses and costs to maintain our status as a corporate entity, and to comply with the periodic reporting requirements of the U.S. Securities and Exchange Commission. Our future plans are dependent on the closing of the Merger Agreement with FasTrack. We will incur fees and costs to consummate the proposed transactions involving the agreement with FasTrack. We have no immediate plans to raise additional capital. Upon the closing of the FasTrack contract our future plans will significantly change.

Results of Operations.

For the quarter ended June 30, 2011, we had limited operations. During the quarter ended June 30, 2011, we had no revenues and incurred expenses of \$4,232 with a net loss of \$(4,232) compared to no revenues and expenses of \$12,070 and a net loss of \$(12,070) for the same period a year earlier. Expenses decreased because in the period a year ago we had additional expenses relating to the re-audit of our financial statements for 2008. For the six month period ended June 30, 2011, we had no revenues and incurred expenses of \$9,665 with a net loss of \$(9,665) compared to no revenues and expenses of \$13,450 and a net loss of \$(13,450).

Off-balance sheet arrangements.

We have no off-balance sheet arrangements.

Forward looking statements.

This Report makes certain forward-looking statements. Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 refer to the term “forward looking statements.” Such statements may refer to such matters as anticipated financial performance, future revenues or earnings, business prospects, projected ventures, new products and services, anticipated market performance, and similar matters.

Such words as “may”, “will”, “expect”, “continue”, “estimate”, “project”, and “intend” and similar terms and expressions are intended to identify forward looking statements. These terms may relate to events, conditions, and financial trends that may affect our future plans of operations, business strategy, operating results, and financial position. We advise readers that actual results may differ substantially from such forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements, including but not limited to, the following: our ability to find a suitable business venture that will benefit us, our ability to investigate a potential business venture, and our ability to determine all information about a business venture.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS.

This item is not applicable to smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

As of the end of the period covered by this quarterly report, we conducted an evaluation under the supervision and direct participation of our management, including our chief executive officer and principal accounting officer, of the effectiveness of the design and operation of our disclosure controls and procedures. In designing and evaluating disclosure controls and procedures, management recognizes that there are inherent limitations to the effectiveness of any system of disclosure procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. In evaluating and implementing possible controls and procedures, management is required to apply its reasonable judgment. Based on the evaluation described above, our management, including our principal executive officer and principal accounting officer, has concluded that, as of June 30, 2011, our disclosure controls and procedures were not effective.

Changes in Internal Controls over Financial Reporting.

We had no significant changes in our internal controls during the period ended June 30, 2011. Management concluded there has been no change in our internal control over financial reporting during the quarter ended June 30, 2011, that has materially affected or is reasonably likely to affect our internal control over financial reporting.

Changes in Internal Controls.

Management has evaluated whether any change in our internal control over financial reporting occurred during the second quarter of calendar 2011. Based on its evaluation, management including the chief executive officer and principal accounting officer, has concluded that there has been no change in our internal control over financial reporting during the second quarter of 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II.

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

This item is not applicable to smaller reporting companies.

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

None.

Item 3. Defaults upon Senior Securities.

None, not applicable.

Item 4. (Removed and reserved.)

This item is not applicable.

Item 5. Other Information.

On July 20, we filed a report on Form 8-K advising that we entered into a definitive contract with FasTrack, Inc., a Delaware corporation, whereby FasTrack will become a wholly owned subsidiary of the Company. FasTrack is a privately held specialty pharmaceutical company engaged in the development of human therapeutic drugs

including drugs for the treatment of liver cancer and autoimmune diseases. In the transaction FasTrack stockholders, convertible note holder and warrant holder will receive shares comprising 92% of the outstanding shares post reverse split. Upon the Closing it is anticipated there will be approximately 16,564,063 common shares outstanding post reverse split.

FasTrack has a 50% interest in the potential commercial value of the product PrevOnco. It is in Phase 3 development as a possible second line therapy for liver cancer patients. Other products under development are Apeaz for pain relief and Regia for bleeding gums. These products are in development and no assurance can be given that they will receive FDA approval or will be successful commercially.

FasTrack will merge with our wholly owned subsidiary North First General, Inc. FasTrack will become a wholly owned subsidiary. We have agreed to amend our Articles of Incorporation by changing our name to Innovus Pharmaceuticals, Inc., and increasing our capitalization to 150,000,000 shares of common stock. We agreed to effect a reverse split of our issued and outstanding shares by a ratio of ten shares into one share. The directors of FasTrack will become our directors thereby causing a change in control. The Merger Agreement and Plan of Merger was filed as an Exhibit to our report on Form 8-K filed on July 20, 2011. A preliminary information statements was filed on July 22, 2011.

Item 6. Exhibits.

EXHIBITS

No.	Description
3(i)	Articles of Incorporation - previously filed.
(ii)	Bylaws - previously filed.
(iii)	Ethics Policy - previously filed.
10.1	Merger Agreement and Plan of Merger - previously filed.
31.1	Certification pursuant to Section 302.
31.2	Certification pursuant to Section 302.
32.1	Certification.
101.INS	XBRL Instance Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase*
101.LAB	XBRL Taxonomy Extension Label Linkbase*
101.DEF	XBRL Taxonomy Extension Definition Linkbase*

Edgar Filing: North Horizon, Inc. - Form 10-Q

101.CAL XBRL Taxonomy Extension Calculation Linkbase*

101.SCH XBRL Taxonomy Extension Schema*

Signatures

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date August 15, 2011

North Horizon, Inc.

By s/Wallace Boyack

President and Chief Executive Officer

By s/Wallace Boyack

Chief Financial Officer