

Hypersolar, Inc.
Form 10-Q
February 14, 2011

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 DECEMBER 31, 2010

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: 333-164708

HYPERSOLAR, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

26-4298300
(I.R.S. Employer
Identification Number)

93-B Castilian Dr.
Santa Barbara, California 93117
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (805) 968-0600

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 past 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 Website, 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 No

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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 definition of “large accelerated filer”, “accelerated filer”, and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated Filer

Non-accelerated filer (Do not check if a smaller reporting company)
company x

Smaller reporting

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

There were 128,369,000 shares of the registrant's common stock, par value \$0.001, issued and outstanding as of February 11, 2011.

HYPERSOLAR, INC.

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PART I – FINANCIAL INFORMATION

ITEM 1. Financial Statements

HYPERSOLAR, INC.

(A Development Stage Company)
BALANCE SHEETS

	December 31, 2010 (Unaudited)	June 30, 2010
ASSETS		
CURRENT ASSETS		
Cash	\$78,140	\$412,066
Prepaid expenses	16,833	20,021
TOTAL CURRENT ASSETS	94,973	432,087
PROPERTY & EQUIPMENT		
Computers and peripherals	3,211	3,211
Less: accumulated depreciation	(1,344)	(809)
NET PROPERTY AND EQUIPMENT	1,867	2,402
OTHER ASSETS		
Deposits	1,688	1,688
Domain, net of amortization \$856 and \$679, respectively	4,459	4,636
Patents	14,727	14,727
TOTAL OTHER ASSETS	20,874	21,051
TOTAL ASSETS	\$117,714	\$455,540
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$13,062	\$12,310
Accrued expenses	-	24,255

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Accrued interest, related party	-	556
TOTAL CURRENT LIABILITIES	13,062	37,121
SHAREHOLDERS' EQUITY		
Preferred Stock, \$0.001 par value; 5,000,000 authorized preferred shares	-	-
Common Stock, \$0.001 par value; 500,000,000 authorized common shares 128,369,000 and 126,369,000 shares issued and outstanding, respectively	128,369	126,369
Additional Paid in Capital	1,263,860	1,165,860
Deficit Accumulated during the Development Stage	(1,287,577)	(873,810)
TOTAL SHAREHOLDER'S EQUITY	104,652	418,419
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 117,714	\$ 455,540

The accompanying notes are an integral part of these financial statements

HYPERMOLAR, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended		For the Six Months Ended		From
	December 31,	December 31,	December 31,	December 31,	Inception
	2010	2009	2010	2009	on
					February
					18, 2009
					through
					December
					31, 2010
REVENUE	\$-	\$-	\$-	\$-	\$-
OPERATING EXPENSES					
General and administrative expenses	177,777	231,236	315,485	322,895	998,245
Research and development	57,269	38,331	95,799	65,750	282,014
Depreciation and amortization	356	366	712	454	2,200
TOTAL OPERATING EXPENSES	235,402	269,933	411,996	389,099	1,282,459
LOSS FROM OPERATIONS BEFORE OTHER EXPENSES	(235,402)	(269,933)	(411,996)	(389,099)	(1,282,459)
OTHER EXPENSES					
Penalties	(40)	-	(40)	-	(40)
Interest expense	(131)	(2,755)	(131)	(2,755)	(3,478)
TOTAL OTHER EXPENSES	(171)	(2,755)	(171)	(2,755)	(3,518)
LOSS BEFORE PROVISION FOR INCOME TAXES	(235,573)	(272,688)	(412,167)	(391,854)	(1,285,977)
Provision for income taxes	(1,600)	-	(1,600)	-	(1,600)
NET LOSS	\$(237,173)	\$(272,688)	\$(413,767)	\$(391,854)	\$(1,287,577)
BASIC AND DILUTED LOSS PER SHARE	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	

WEIGHTED-AVERAGE COMMON SHARES
OUTSTANDING

BASIC AND DILUTED	126,629,870	117,080,736	126,499,435	115,303,668
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The accompanying notes are an integral part of these financial statements

HYPERMOLAR, INC.
(A Development Stage Company)
STATEMENT OF SHAREHOLDERS' EQUITY

	Preferred stock		Common stock		Additional	Deficit	
	Shares	Amount	Shares	Amount	Paid-in	Accumulated	Total
					Capital	during the	
						Development	
						Stage	
Balance at June 30, 2010	-	\$-	126,369,000	\$126,369	\$1,165,860	\$ (873,810)	\$418,419
Issuance of common stock in December 2010 (cash) (2,000,000 shares issued at \$0.05 per share) (unaudited)	-	-	2,000,000	2,000	98,000	-	100,000
Net loss for the six months ended December 31, 2010 (unaudited)	-	-	-	-	-	(413,767)	(413,767)
Balance at December 31, 2010 (unaudited)	-	\$-	128,369,000	\$128,369	\$1,263,860	\$ (1,287,577)	\$104,652

The accompanying notes are an integral part of these financial statements

HYPERMOLAR, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended		From Inception on February 18, 2009 through December 31, 2010
	December 31, 2010	December 31, 2009	December 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$(413,767)	\$(391,854)	\$(1,287,577)
Adjustment to reconcile net loss to net cash used in operating activities			
Depreciation & amortization expense	712	454	2,200
Common stock issued for services	-	-	152,080
Change in Assets and Liabilities:			
(Increase) Decrease in:			
Prepaid expenses	3,188	-	(16,833)
Deposits	-	(3,375)	(1,688)
Increase (Decrease) in:			
Accounts payable	752	5,310	13,062
Accrued expenses	(24,811)	180,382	-
NET CASH USED IN OPERATING ACTIVITIES	(433,926)	(209,083)	(1,138,756)
NET CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of fixed assets	-	(3,211)	(3,211)
Purchase of intangible assets	-	-	(20,042)
NET CASH USED IN INVESTING ACTIVITIES	-	(3,211)	(23,253)
NET CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from note payable, related party	-	110,000	154,553
Payment of notes payable, related party	-	(154,553)	(154,553)
Proceeds from issuance of common stock	100,000	785,150	1,240,149
NET CASH PROVIDED BY FINANCING ACTIVITIES	100,000	740,597	1,240,149
NET INCREASE/(DECREASE) IN CASH	(333,926)	528,303	78,140
CASH, BEGINNING OF PERIOD	412,066	3,657	-

CASH, END OF PERIOD	\$78,140	\$531,960	\$78,140
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