

NEUTRA CORP.  
Form 10-Q  
September 14, 2018

**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, 2018**

or

**TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

Commission File Number: **0-55077**

**NEUTRA CORP.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of Incorporation or organization)

**27-4505461**

(I.R.S. Employer Identification Number)

**400 South 4th Street, Suite 500**

**Las Vegas, Nevada**

(Address of principal executive offices)

**89101**

(Zip code)

Registrant's telephone number, including area code: **702-793-4121**

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

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.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" or "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

(Do not check is smaller reporting company)

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of September 13, 2018, 7,182,983 shares of common stock are issued and outstanding.

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## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

Certain statements in this report contain or may contain forward-looking statements. These statements, identified by words such as “plan”, “anticipate”, “believe”, “estimate”, “should”, “expect” and similar expressions include our expectations and objectives regarding our future financial position, operating results and business strategy. These statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward - looking statements. These forward-looking statements were based on various factors and were derived utilizing numerous assumptions and other factors that could cause our actual results to differ materially from those in the forward-looking statements. These factors include, but are not limited to, our ability to secure suitable financing to continue with our existing business or change our business and conclude a merger, acquisition or combination with a business prospect, economic, political and market conditions and fluctuations, government and industry regulation, interest rate risk, U.S. and global competition, and other factors. Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the areas of risk described in connection with any forward-looking statements that may be made herein. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. Readers should carefully review this report in its entirety, including but not limited to our financial statements and the notes thereto and the risks described in our Annual Report on Form 10-K for the fiscal year ended January 31, 2018. We advise you to carefully review the reports and documents we file from time to time with the Securities and Exchange Commission (the “SEC”), particularly our quarterly reports on Form 10-Q and our current reports on Form 8-K. Except for our ongoing obligations to disclose material information under the Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

## **OTHER PERTINENT INFORMATION**

When used in this report, the terms, “we,” the “Company,” “our,” and “us” refers to Neutra Corp., a Nevada corporation.

**PART I — FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****NEUTRA CORP.****CONSOLIDATED BALANCE SHEETS****(UNAUDITED)**

	<b>July 31, 2018</b>	<b>January 31, 2018</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Deposits	\$ 30,630	\$ 12,325
Total current assets	30,630	12,325
<b>TOTAL ASSETS</b>	<b>\$ 30,630</b>	<b>\$ 12,325</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 458,480	\$ 458,480
Accounts payable to related party	83,692	83,692
Advances payable	3,450	3,450
Current portion of convertible notes payable, in default	181,843	141,843
Current portion of convertible notes payable, net of discount of \$306,152 and \$224,861, respectively	83,559	4,865
Current portion of accrued interest payable	92,985	55,343
Total current liabilities	904,009	747,673
Convertible notes payable, net of discount of \$0 and \$50,800, respectively	—	17,185
Accrued interest payable	—	11,939
<b>TOTAL LIABILITIES</b>	<b>904,009</b>	<b>776,797</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>—</b>	<b>—</b>
<b>STOCKHOLDERS' DEFICIT</b>		
Common stock, \$0.001 par value; 480,000,000 shares authorized; 7,182,983 and 6,839,274 shares issued and outstanding at July 31, 2018 and January 31, 2018, respectively	7,183	6,839
	1,000	1,000

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Series E preferred stock, \$0.001 par value; 20,000,000 shares authorized; 1,000,000 shares issued or outstanding at July 31, 2018 and January 31, 2018, respectively

Additional paid-in capital	5,822,971	5,661,911
Accumulated deficit	(6,704,533)	(6,434,222)
Total stockholders' deficit	(873,379)	(764,472)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 30,630</b>	<b>\$ 12,325</b>

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

**NEUTRA CORP.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>2018</b>	<b>July 31, 2017</b>	<b>2018</b>	<b>July 31, 2017</b>
REVENUE	\$ 2,006	\$ —	\$ —	\$ —
OPERATING EXPENSES				
General and administrative	126,201	90,443	62,349	34,539
LOSS FROM OPERATIONS	(124,195)	(90,443)	(62,349)	(34,539)
OTHER INCOME (EXPENSE)				
Interest expense	(146,116)	(273,698)	(76,118)	(119,590)
Total other income (expense)	(146,116)	(273,698)	(76,118)	(119,590)
NET LOSS	\$ (270,311)	\$ (364,141)	\$ (138,467)	\$ (154,129)
NET LOSS PER COMMON SHARE –				
Basic and fully diluted	\$ (0.04)	\$ (0.09)	\$ (0.02)	\$ (0.03)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING: Basic and fully diluted	7,021,573	4,222,302	7,182,983	4,843,317

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



## NEUTRA CORP.

## CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

(UNAUDITED)

	Common Stock		Series E Preferred Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
<b>BALANCE, January 31, 2018</b>	6,839,274	\$ 6,839	1,000,000	\$ 1,000	\$ 5,661,911	\$ (6,434,222)	\$ (764,472)
Common stock issued for debt conversion	343,709	344	—	—	18,560	—	18,904
Beneficial conversion discount on issuance of convertible note payable	—	—	—	—	142,500	—	142,500
Net loss	—	—	—	—	—	(270,311)	(270,311)
<b>BALANCE, July 31, 2018</b>	7,182,983	\$ 7,183	1,000,000	\$ 1,000	\$ 5,822,971	\$ (6,704,533)	\$ (873,379)

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

**NEUTRA CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

	<b>Six months ended July 31,</b>	
	<b>2018</b>	<b>2017</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Loss	\$ (270,311)	\$ (364,141)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of discount on convertible note payable	119,509	251,185
Changes in operating assets and liabilities:		
Deposits	(18,305)	(10,293)
Accounts payable and accrued liabilities	—	(52,605)
Accounts payable to related party	—	38,892
Accrued interest payable	26,607	22,513
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(142,500)</b>	<b>(114,449)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from convertible notes payable	142,500	114,449
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>142,500</b>	<b>114,449</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>—</b>	<b>—</b>
<b>CASH, at the beginning of the period</b>	<b>—</b>	<b>—</b>
<b>CASH, at the end of the period</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Cash paid during the period for:		
Interest	\$ —	\$ —
Taxes	\$ —	\$ —
Noncash investing and financing transaction:		
Beneficial conversion discount on convertible note payable	\$ 142,500	\$ 108,926
Conversion of convertible notes payable.	\$ 18,904	\$ 211,615

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



**NEUTRA CORP.**

**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**JULY 30, 2018**

**Note 1. General Organization and Business**

Neutra Corp. was incorporated in Nevada on January 11, 2011 to market and participate in the nutraceutical space by bringing products derived from all natural and organic origins. Along with participating in the actual nutraceutical products, we plan to research and bring new technology to the nutraceutical space. Nutraceutical natural medicine is an alternative system that focuses on natural remedies and the body's vital ability to heal and maintain itself. One of the nutraceutical sub-markets is the new thriving medical cannabis market, in which we intend to participate. We intend to entrust the manufacturing to a nutraceutical contractor to private label all of our products and to sell them under our unique brand. We have established a fiscal year end of January 31.

As the global cannabis market grows exponentially, it is constantly in need of better technologies and products to be more efficient in how it grows, what it grows and how it consumes cannabis and its related products. From lighting to dosage devices, from pesticide replacements to plant enhancers, Neutra Corp. is constantly combing the industry for the latest and greatest to test, prove and bring to market.

We have not generated any revenues to date and our activities have been limited to developing our business plan and research and development of products. We will not have the necessary capital to fully develop or execute our business plan until we are able to secure additional financing. There can be no assurance that such financing will be available on suitable terms. We need to raise additional funds in order to implement our business plan. Our current cash on hand is insufficient to commercialize our products or fully develop our business strategy. If we are unable to raise adequate additional funds or if those funds are not available on terms that are acceptable to us, we will not be able to execute our business plan and we may cease operations.

**Note 2. Going Concern**

The accompanying financial statements have been prepared assuming that we will continue as a going concern. For the six months ended July 31, 2018, we had a net loss of \$270,311 and negative cash flow from operating activities of \$142,500. As of July 31, 2018, we had negative working capital of \$873,379. Management does not anticipate having positive cash flow from operations in the near future.

These factors raise a substantial doubt about our ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the possible inability of the Company to continue as a going concern.

We do not have the resources at this time to repay its credit and debt obligations, make any payments in the form of dividends to its shareholders or fully implement its business plan. Without additional capital, the we will not be able to remain in business.

Management has plans to address the Company's financial situation as follows:

In the near term, management plans to continue to focus on raising the funds necessary to implement our business plan. Management will continue to seek out debt financing to obtain the capital required to meet our financial obligations. There is no assurance, however, that lenders will continue to advance capital to us or that the new business operations will be profitable. The possibility of failure in obtaining additional funding and the potential inability to achieve profitability raise doubts about our ability to continue as a going concern.

In the long term, management believes that our projects and initiatives will be successful and will provide cash flow, which will be used to finance our future growth. However, there can be no assurances that our planned activities will be successful, or that we will ultimately attain profitability. Our long-term viability depends on its ability to obtain adequate sources of debt or equity funding to meet current commitments and fund the continuation of its business operations, and our ability to achieve adequate profitability and cash flows from operations to sustain its operations.

### **Note 3. Summary of Significant Accounting Policies**

#### **Interim Financial Statements**

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, the consolidated financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and such adjustments are of a normal recurring nature. These consolidated financial statements should be read in conjunction with the consolidated financial statements for the fiscal year ended January 31, 2018 and notes thereto and other pertinent information contained in our Form 10-K that we filed with the Securities and Exchange Commission (the “SEC”).

The results of operations for the six-month period ended July 31, 2018 are not necessarily indicative of the results to be expected for the full fiscal year ending January 31, 2019.

#### **Consolidated Financial Statements**

The consolidated financial statements of the Company include the accounts of the Company and its wholly owned subsidiaries from the date of their formations. Significant intercompany transactions have been eliminated in consolidation.

#### **Use of Estimates**

The preparation of financial statements in conformity with GAAP 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### **Earnings (Loss) per Common Share**

We compute basic and diluted earnings per common share amounts in accordance with ASC Topic 260, *Earnings per Share*. The basic earnings (loss) per common share are calculated by dividing our net income available to common shareholders by the weighted average number of common shares outstanding during the year. The diluted earnings (loss) per common share are calculated by dividing our net income (loss) available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted as of the first of the year for any potentially dilutive debt or equity. There are no dilutive shares outstanding for any periods reported.

#### **Recently Issued Accounting Pronouncements**

We have reviewed the FASB issued Accounting Standards Update (“ASU”) accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. We have carefully considered the new pronouncements that alter previous generally accepted accounting principles and does not believe that any new or modified principles will have a material impact on the corporation’s reported financial position or operations in the near term. The applicability of any standard is subject to the formal review of our financial management and certain standards are under consideration.

#### **Note 4. Related Party Transactions**

During the six months ended July 31, 2018, we incurred salary expense of \$54,500 related to services provided by our CEO Christopher Brown. We paid Mr. Brown \$54,500 in salary during the six months ended July 31, 2018. As of July 31, 2018, we owe Mr. Brown \$89,200, which is recorded on the balance sheet in “Accounts Payable - Related Party.”

#### **Note 5. Advances**

As of July 31, 2018 and January 31, 2018, we had amounts due under advances of \$3,450 at each period. These advances are not collateralized, non-interest bearing and are due on demand.

**Note 6. Convertible Notes Payable**

Convertible notes payable consists of the following as of July 31, 2018 and January 31, 2018:

	<b>July 31, 2018</b>	<b>January 31, 2018</b>
Convertible note, dated July 31, 2015, bearing interest at 10% per annum, maturing on July 31, 2017 and convertible into shares of common stock at \$0.01 per share, in default	72,640	72,640
Convertible note, dated October 31, 2015, bearing interest at 10% per annum, maturing on October 31, 2018 and convertible into shares of common stock at \$0.50 per share	156,976	156,976
Convertible note, dated January 31, 2016, bearing interest at 10% per annum, maturing on January 31, 2019 and convertible into shares of common stock at a 60% discount to the market price	82,735	82,735
Convertible note, dated March 14, 2016, bearing interest at 8% per annum, maturing on March 14, 2017, and convertible into shares of common stock at a 5% discount to the market price, in default	1,217	1,217
Convertible note, dated May 26, 2016, bearing interest at 8% per annum, maturing on May 26, 2017, and convertible into shares of common stock at a 45% discount to the market price, in default	67,986	67,986
Convertible note, dated September 6, 2016, bearing interest at 8% per annum, maturing September 6, 2017, and convertible into shares of common stock at a 45% discount to the lowest trading price in the 20 days prior to conversion with a floor on the conversion price of \$0.00005	—	18,000
Convertible note, dated September 6, 2016, bearing interest at 8% per annum, maturing September 6, 2017, and convertible into shares of common stock at a 45% discount to the lowest trading price in the 20 days prior to conversion with a floor on the conversion price of \$0.00005, in default	40,000	40,000
Convertible note, dated February 6, 2018, bearing interest at 8% per annum, maturing November 6, 2018, and convertible into shares of common stock at a 45% discount to the lowest trading price in the 20 days prior to conversion with a floor on the conversion price of \$0.00005	150,000	—
Total convertible notes payable	\$ 571,554	\$ 439,554
Less: current portion of convertible notes payable	(571,554)	(371,569)
Less: discount on noncurrent convertible notes payable	—	(50,800)
Convertible notes payable - non-current, net of discount	\$ —	\$ 17,185
Current portion of convertible notes payable	\$ 571,554	\$ 371,569
Less: discount on current convertible notes payable	(306,152)	(224,861)
Convertible notes payable, net of discount	\$ 265,402	\$ 146,708



**Issuance of Convertible Promissory Notes**

During the six months ended July 31, 2018 and 2017, we issued Convertible Promissory Notes. The Convertible Promissory Notes bear interest and are payable at maturity along with accrued interest. The Convertible Promissory Notes and unpaid accrued interest are convertible into common stock at the option of the holder.

<b>Date Issued</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Conversion Rate</b>	<b>Amount of Note</b>
February 6, 2018	November 6, 2018	8%	45% discount	\$ 150,000

<b>Date Issued</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Conversion Rate</b>	<b>Amount of Note</b>
March 14, 2016	March 14, 2017	8%	55% discount	\$ 65,000
April 30, 2016	April 30, 2019	10%	60% discount	67,986

We evaluated the terms of the new notes in accordance with ASC Topic No. 815 - 40, *Derivatives and Hedging - Contracts in Entity's Own Stock* and determined that the underlying common stock is indexed to the Company's common stock. We determined that the conversion features did not meet the definition of a liability and therefore did not bifurcate the conversion feature and account for it as a separate derivative liability. We then evaluated the conversion feature for a beneficial conversion feature. The effective conversion price was compared to the market price on the date of the note and was deemed to be less than the market value of underlying common stock at the inception of the note. Therefore, each of the above notes was fully discounted with a beneficial conversion discount on the date of issuance. We recorded the beneficial conversion discounts as an increase in additional paid-in capital and a discount to the Convertible Notes Payable. Discounts to the Convertible Notes Payable are amortized to interest expense over the life of the respective notes using the effective interest method. During the six months ended July 31, 2018 and 2017, we recorded amortization of discounts on convertible notes payable and recognized interest expense of \$119,509 and \$251,185, respectively.

### **Convertible Promissory Notes Issued for Cash**

On February 6, 2018, we issued a convertible promissory note to a third party for cash. The note (the "front-end note") was in the amount of \$150,000, and it matures on November 6, 2018. The note bears interest at 8% per year and is convertible into shares of our common stock at a 45% discount to our lowest trading price over the preceding 20 days with a floor on the conversion price of \$0.00005.

We evaluated the terms of the note in accordance with ASC Topic No. 815 - 40, *Derivatives and Hedging - Contracts in Entity's Own Stock* and determined that the underlying common stock is indexed to the Company's common stock. We determined that the conversion features did not meet the definition of a liability and therefore did not bifurcate the conversion feature and account for it as a separate derivative liability. We then evaluated the conversion feature for a beneficial conversion feature. The effective conversion price was compared to the market price on the date of the note and was deemed to be less than the market value of underlying common stock at the inception of the note. Therefore, we recognized beneficial conversion discount of \$142,500 on February 6, 2018. We recorded the beneficial conversion discount as an increase in additional paid-in capital and a discount to the Convertible Notes Payable. Discounts to the Convertible Notes Payable are amortized to interest expense using the effective interest method over the life of the respective notes.

### **Conversions to Common Stock**

During six months ended July 31, 2017, the holders of our convertible promissory notes converted \$211,615 of principal and accrued interest into 2,904,086 shares of our common stock. See Note 7. No gain or loss was recognized on the conversions as they occurred within the terms of the agreement which provided for conversion.

During six months ended July 31, 2018, the holders of our convertible promissory notes converted \$18,904 of principal and accrued interest into 343,709 shares of our common stock. See Note 7. No gain or loss was recognized on the conversions as they occurred within the terms of the agreement which provided for conversion.

**Note 7. Stockholders' Equity**

**Conversions to common stock**

During six months ended July 31, 2018, the holders of our convertible notes elected to convert principal and interest into shares of common stock as detailed below:

<b>Date</b>	<b>Amount Converted</b>	<b>Number of Shares Issued</b>
April 26, 2018	\$ 18,904	373,709
<b>Total</b>	<b>\$ 18,904</b>	<b>373,709</b>

During six months ended July 31, 2017, the holders of our convertible notes elected to convert principal and interest into shares of common stock as detailed below:

<b>Date</b>	<b>Amount Converted</b>	<b>Number of Shares Issued</b>
February 13, 2017	\$ 16,619	151,085
February 22, 2017	25,066	227,870
March 6, 2017	23,629	214,807
March 21, 2017	12,784	102,168
March 30, 2017	21,346	170,595
April 7, 2017	10,690	92,558
April 20, 2017	35,372	321,567
May 22, 2017	10,055	130,582
May 30, 2017	650	65,000
June 2, 2017	10,079	160,748
June 2, 2017	650	65,000
June 13, 2017	11,113	202,060
June 30, 2017	10,140	290,344
July 12, 2017	10,167	308,078
July 25, 2017	13,255	401,624
<b>Total</b>	<b>\$ 211,615</b>	<b>2,904,086</b>

#### **Note 8. Subsequent Events**

No events have occurred subsequent to July 31, 2018 which would require disclosure in these financial statements.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Overview**

Neutra Corp. was incorporated in Nevada on January 11, 2011 to market and participate in the nutraceutical space by bringing products derived from all natural and organic origins. Along with participating in the actual nutraceutical products, we plan to research and bring new technology to the nutraceutical space. Nutraceutical natural medicine is an alternative system that focuses on natural remedies and the body's vital ability to heal and maintain itself. One of the nutraceutical sub-markets is the new thriving medical cannabis market, in which we intend to participate. We intend to entrust the manufacturing to a nutraceutical contractor to private label all of our products and to sell them under our unique brand. We have established a fiscal year end of January 31.

As the global cannabis market grows exponentially, it is constantly in need of better technologies and products to be more efficient in how it grows, what it grows and how it consumes cannabis and its related products. From lighting to dosage devices, from pesticide replacements to plant enhancers, Neutra Corp. is constantly combing the industry for the latest and greatest to test, prove and bring to market.

We have generated limited revenues to date and our activities have been primarily limited to developing our business plan and research and development of products. We will not have the necessary capital to fully develop or execute our business plan until we are able to secure additional financing. There can be no assurance that such financing will be available on suitable terms. We need to raise additional funds in order to implement our business plan. Our current cash on hand is insufficient to commercialize our products or fully develop our business strategy. If we are unable to raise adequate additional funds or if those funds are not available on terms that are acceptable to us, we will not be able to execute our business plan and we may cease operations.

### **Critical Accounting Policies**

We prepare our Consolidated financial statements in conformity with GAAP, which requires management to make certain estimates and apply judgments. We base our estimates and judgments on historical experience, current trends, and other factors that management believes to be important at the time the condensed Consolidated financial statements are prepared. On a regular basis, we review our accounting policies and how they are applied and disclosed in our condensed consolidated financial statements.

While we believe that the historical experience, current trends and other factors considered support the preparation of our condensed consolidated financial statements in conformity with GAAP, actual results could differ from our estimates and such differences could be material.

For a full description of our critical accounting policies, please refer to Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report for the year ended January 31, 2018 on Form 10-K.

## **Results of Operations**

### **Six months ended July 31, 2018 compared to the six months ended July 31, 2017.**

#### Revenue

We recognized revenue of \$2,006 for the six months ended July 31, 2018 related to our agreement with Artillery.

#### General and Administrative Expenses

We recognized general and administrative expenses of \$126,201 and \$90,443 for the six months ended July 31, 2018 and 2017, respectively. The increase is primarily due to increased professional fees related to the preparation and filing of the Form S-1.

#### Interest Expense

Interest expense decreased from \$273,698 for the six months ended July 31, 2017 to \$146,116 for the six months ended July 31, 2018. During the six months ended July 31, 2018, we amortized \$119,509 of the discount on our convertible notes, compared to \$251,185 for the comparable period of 2017. This was driven by fewer conversions of our convertible notes payable into common stock. The remaining interest expense of \$26,607 and \$22,513 for the six months ended July 31, 2018 and 2017, respectively, is related to the stated interest on our convertible promissory notes.



Net Loss

We incurred a net loss of \$270,311 for six months ended July 31, 2018 as compared to \$364,141 for the comparable period of 2017. The decreased net loss is due to the decrease in interest expense and increase in revenue partially offset by the increase in general and administrative expense.

**Three months ended July 31, 2018 compared to the three months ended July 31, 2017.**

General and Administrative Expenses

We recognized general and administrative expenses of \$62,349 and \$34,539 for the three months ended July 31, 2018 and 2017, respectively. The increase is primarily due to increased professional fees related to the preparation and filing of the Form S-1.

Interest Expense

Interest expense decreased from \$119,590 for the three months ended July 31, 2017 to \$76,118 for the three months ended July 31, 2018. During the three months ended July 31, 2018, we amortized \$62,701 of the discount on our convertible notes, compared to \$109,772 for the comparable period of 2017. This was driven by fewer conversions of our convertible notes payable into common stock. The remaining interest expense of \$13,417 and \$9,818 for the three months ended July 31, 2018 and 2017, respectively, is related to the stated interest on our convertible promissory notes.

Net Loss

We incurred a net loss of \$138,467 for six months ended July 31, 2018 as compared to \$154,129 for the comparable period of 2017. The decreased net loss is due to the decrease in interest expense partially offset by the increase in general and administrative expense.

At July 31, 2018, we had cash on hand of \$0. We have negative working capital of \$873,379. Net cash used in operating activities for the six months ended July 31, 2018 was \$142,500. Cash on hand is adequate to fund our



operations for less than one month. We do not expect to achieve positive cash flow from operating activities in the near future. We will require additional cash in order to implement our business plan. There is no guarantee that we will be able to attain fund when we need them or that funds will be available on terms that are acceptable to us. We have no material commitments for capital expenditures as of July 31, 2018.

### **Additional Financing**

Additional financing is required to continue operations. Although actively searching for available capital, we do not have any current arrangements for additional outside sources of financing and cannot provide any assurance that such financing will be available.

### **Off Balance Sheet Arrangements**

We do not have any 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 investors.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

This item is not applicable to smaller reporting companies.

## **ITEM 4. CONTROLS AND PROCEDURES**

### **Management's Report on Internal Control over Financial Reporting**

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of July 31, 2018. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of July 31, 2018, our disclosure controls and procedures were not effective to ensure that information required to be disclosed in reports filed by us under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.



1. As of July 31, 2018, we did not maintain effective controls over the control environment. Specifically, we have not developed and effectively communicated to our employees our accounting policies and procedures. This has resulted in inconsistent practices. Further, the Board of Directors does not currently have any independent members and no director qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K. Since these entity level programs have a pervasive effect across the organization, management has determined that these circumstances constitute a material weakness.
2. As of July 31, 2018, we did not maintain effective controls over financial statement disclosure. Specifically, controls were not designed and in place to ensure that all disclosures required were originally addressed in our financial statements. Accordingly, management has determined that this control deficiency constitutes a material weakness.
3. As of July 31, 2018, we did not establish a formal written policy for the approval, identification and authorization of related party transactions.

Our management, including our principal executive officer and principal financial officer, who is the same person, does not expect that our disclosure controls and procedures or our internal controls will prevent all error or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

### **Change in Internal Controls Over Financial Reporting**

There was no change in our internal controls over financial reporting that occurred during the period covered by this report, which has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

## **PART II — OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

We know of no material, active or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceedings or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered beneficial shareholder are an adverse party or has a material interest adverse to us.

**ITEM 1A. RISK FACTORS**

This item is not applicable to smaller reporting companies.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

On April 26, 2018, we issued 373,709 shares on conversion of a convertible note payable in the amount of \$18,904.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

We have not defaulted upon senior securities.

**ITEM 4. MINE SAFETY DISCLOSURES**

This item is not applicable to the Company.

**ITEM 5. OTHER INFORMATION**

None.

**ITEM 6. EXHIBITS**

- 3.1 Articles of Incorporation (1)
- 3.2 Bylaws (1)
- 14.1 Code of Ethics (1)
- 21 Subsidiaries of the Registrant (2)
- 31.1 Rule 13(a)-14(a)/15(d)-14(a) Certification of principal executive officer and principal financial and accounting officer. (2)
- 32.1 Section 1350 Certification of principal executive officer and principal financial accounting officer. (2)
- 101 XBRL data files of Financial Statement and Notes contained in this Quarterly Report on Form 10-Q. (2)(3)

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- (1) Incorporated by reference to our Form S-1 filed with the Securities and Exchange Commission on February 24, 2011.
- (2) Filed or furnished herewith.
- (3) To be submitted by amendment.

**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.

Neutra Corp.

Date: September 14, 2018

BY: /s/ Christopher Brown

Christopher Brown  
President, Secretary, Treasurer, Principal Executive Officer,

Principal Financial and Accounting Officer, and Sole Director

