

XELR8 HOLDINGS, INC.  
Form 10-Q  
May 12, 2010

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934  
For the quarterly period ended March 31, 2010

or

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

Commissions file No. 000-50875

XELR8 HOLDINGS, INC.

(Exact name of small business issuer as specified in its charter)

Nevada  
(State of incorporation)

84-1575085  
(I.R.S. Employer Identification Number)

480 South Holly Street  
Denver, CO 80246  
(Address of principal executive offices)

(303)-316-8577  
(Issuer's telephone number)

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 (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer

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

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

As of May 12, 2010 the Company had 15,697,170 shares of its \$.001 par value common stock issued and outstanding.

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## Part I FINANCIAL INFORMATION

## Item 1 – CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

XELR8 HOLDINGS, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	March, 31 2010	December, 31 2009	*
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 365,600	\$ 45,289	
Accounts receivable, net of allowance for doubtful accounts of \$1,229 and \$1,205, respectively	11,076	8,754	
Inventory, net of allowance for obsolescence of \$43,442 and \$113,790, respectively	280,973	222,847	
Prepaid expenses and other current assets	122,077	173,933	
<b>Total current assets</b>	<b>779,726</b>	<b>450,823</b>	
Intangible assets, net	26,466	26,973	
Property and equipment, net	13,865	17,224	
Deferred finance costs, net	313,862	-	
<b>Total assets</b>	<b>\$ 1,133,919</b>	<b>\$ 495,020</b>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 615,121	\$ 554,675	
Return reserve	115,595	134,836	
Accrued payroll and benefits	75,187	60,668	
Accrued interest	8,787	-	
Other accrued expenses	91,523	114,973	
<b>Total current liabilities</b>	<b>906,213</b>	<b>865,152</b>	
Long term liabilities			
Senior secured convertible notes	828,201	-	
<b>Total liabilities</b>	<b>1,734,414</b>	<b>865,152</b>	
Commitments and Contingencies			
<b>SHAREHOLDERS' EQUITY (DEFICIT):</b>			
Preferred stock, authorized 5,000,000 shares, \$.001 par value, none issued or outstanding	-	-	
Common stock, authorized 50,000,000 shares, \$.001 par value, 15,697,170 shares issued and outstanding	15,697	15,697	
Additional paid in capital	24,729,632	24,215,754	
Accumulated (deficit)	(25,345,824)	(24,601,583 )	
<b>Total shareholders' equity (deficit)</b>	<b>(600,495 )</b>	<b>(370,132 )</b>	
<b>Total liabilities and shareholders' equity (deficit)</b>	<b>\$ 1,133,919</b>	<b>\$ 495,020</b>	

The accompanying notes are an integral part of these condensed consolidated financial statements.  
\* Derived from audited Financial Statements

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XELR8 HOLDINGS, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)  
 Three Months Ended March 31, 2010 and 2009

	For the Three Months Ended March 31, 2010	For the Three Months Ended March 31, 2009
Net sales	\$ 742,853	\$ 1,316,423
Cost of goods sold	182,603	335,704
Gross profit	560,250	980,719
Operating expenses:		
Selling and marketing expenses	767,782	1,001,541
General and administrative expenses	485,563	610,967
Research and development expenses	4,012	325
Depreciation and amortization	3,866	9,800
Total operating expenses	1,261,223	1,622,633
Net (loss) from operations	(700,973 )	(641,914 )
Other income (expense)		&#1