

Blink Couture Inc.
Form 10-Q
March 16, 2016

**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 January 31, 2016

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: 333-138951

BLINK COUTURE, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

98-0568153

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

558 Castle Pines Parkway B-4, Suite 140, Castle Pines, Colorado 80108

(Address of principal executive offices) (Zip Code)

(303) 730-7939

(Registrant's telephone number, including area code)

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.

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

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

Yes No

APPLICABLE TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of March 11, 2016
Common Stock, \$0.0001	393,169

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PART I – FINANCIAL INFORMATION**Item 1. Financial Statements****Blink Couture, Inc.****Balance Sheets****As of January 31, 2016 and July 31, 2015****(Unaudited)**

	January 31, 2016	July 31, 2015
Current Assets:		
Cash	\$232	\$498
Total Current Assets & Total Assets	\$232	\$498
Current Liabilities:		
Accounts payable and accrued liabilities	\$12,800	\$11,000
Accrued interest - related parties	—	—
Notes due to related parties	20,235	4,500
Convertible notes payable	523,916	523,916
Total Current Liabilities & Total Liabilities	\$556,951	\$539,416
Stockholders' Deficit:		
Preferred stock, \$0.0001 par value, 20,000,000 shares authorized; none issued and outstanding	\$—	\$—
Common stock, \$0.0001 par value, 100,000,000 shares authorized; 393,169 shares issued and outstanding as of January 31, 2016, and July 31, 2015	39	39
Additional paid-in capital	73,687	73,687
Accumulated deficit	(630,445)	(612,644)
Total Stockholders' Deficit	\$(556,719)	\$(538,918)
Total Liabilities & Stockholders' Deficit	\$232	\$498

See accompanying notes to financial statements

Blink Couture, Inc.**Statements of Operations****For the three and six months ended January 31, 2016 and 2015****(Unaudited)**

	Three months ended January 31,		Six months ended January 31,	
	2016	2015	2016	2015
Revenues	\$—	\$—	\$—	\$—
Operating Expenses:				
General and administrative expenses	11,335	1,550	17,801	14,099
Loss from Operations	(11,335)	(1,550)	(17,801)	(14,099)
Other income (expenses):				
Interest expense-related parties	—	(6,015)	—	(13,912)
Termination of merger agreement	—	—	—	41,120
Forgiveness of debt	—	74,491	—	74,491
Total other income (expenses)	—	68,476	—	101,699
Income (Loss) before Income Taxes	(11,335)	66,926	(17,801)	87,600
Provision for income taxes	—	—	—	—
Net Income (Loss)	\$(11,335)	\$66,926	\$(17,801)	\$87,600
Basic and diluted net income (loss) per common share:				
Weighted average shares outstanding	393,169	393,169	393,169	393,169
Net income (loss) per common share	\$(0.03)	\$0.17	\$(0.05)	\$0.22

See accompanying notes to financial statements

Blink Couture, Inc.**Statements of Cash Flows****For the six months ended January 31, 2016 and 2015****(Unaudited)**

	2016	2015
Cash flow from operating activities:		
Net Income (Loss)	\$(17,801)	\$87,600
Adjustment to reconcile net income (loss) to net cash used in operating activities:		
Gain on forgiveness of debt	—	(74,491)
Changes in operating assets and liabilities:		
Accounts payable and accrued liabilities	1,800	—
Accrued interest - related parties	—	(15,219)
Net Cash Used in Operating Activities	(16,001)	(2,110)
Cash flow from financing activities:		
Proceeds from notes due to related parties	15,735	2,110
Net Cash Provided by Financing Activities	15,735	2,110
Net decrease in cash	(266)	—
Cash at beginning of period	498	—
Cash at end of period	\$232	\$—
Supplemental disclosure of cash flow information:		
Cash paid for interest to related party	\$—	\$29,131

See accompanying notes to financial statements

BLINK COUTURE, INC.

Notes to the Financial Statements

January 31, 2016

NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Business description

Blink Couture, Inc. (the “Company”) was originally incorporated as Fashionfreakz International Inc. on October 23, 2003, under the laws of the State of Delaware. On December 2, 2005, Fashionfreakz International Inc. changed its name to Blink Couture Inc. Until March 4, 2008, the Company’s principal business was the online retail marketing of trendy clothing and accessories produced by independent designers. On March 4, 2008, the Company discontinued its prior business and changed its business plan. The Company’s business plan now consists of exploring potential targets for a business combination through the purchase of assets, share purchase or exchange, merger or similar type of transaction. The Company has nominal operations and nominal assets, and is considered a Shell company as defined by Rule 12b-2 of the Exchange Act.

Basis of Presentation

The accompanying unaudited condensed 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 rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). Accordingly, these condensed financial statements do not include all of the information and footnotes required for audited annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary to make the condensed financial statements not misleading have been included. The balance sheet at July 31, 2015, has been derived from the Company’s audited financial statements as of that date.

The unaudited condensed financial statements included herein should be read in conjunction with the audited financial statements and the notes thereto that are included in the Company’s Annual Report on Form 10-K for the year ended July 31, 2015, that was filed with the SEC on December 7, 2015. The results of operations for the three and six months ended January 31, 2016, are not necessarily indicative of the results to be expected for the full year.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Company for interim reporting are consistent with those included in the Company's Annual Report on Form 10-K for the year ended July 31, 2015. There were no material changes to our significant accounting policies during the interim period ended January 31, 2016.

Recent Accounting Pronouncements

In August 2014, FASB issued guidance that requires management to evaluate whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern, and to provide certain disclosures when it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued. The new guidance is effective for the annual period ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. Since this guidance primarily addresses certain disclosures to the financial statements, we anticipate no impact on our financial position, results of operations or cash flows from adopting this standard. The Company is currently in the process of evaluating the additional disclosure requirements of the new guidance and has not determined the impact of adoption on its financial statement disclosures.

NOTE 3. GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company, which has not generated any revenues since inception, has incurred net losses of \$630,445 since inception, has nominal assets and a stockholders' deficit of \$556,719. These conditions, among others, raise substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to meet its obligations, to obtain additional financing as may be required and ultimately to attain profitability. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company is dependent on advances from its principal shareholders or other affiliated parties for continued funding. There are no commitments or guarantees from any third party to provide such funding nor is there any guarantee that the Company will be able to access the funding it requires to continue its operations.

NOTE 4. TERMINATION OF MERGER

On November 10, 2011, we entered into an Agreement and Plan of Merger (the “Merger Agreement”), pursuant to which we planned to acquire Latitude Global, Inc. (“Latitude Global”), a company which, through its subsidiaries, currently operates combined restaurant and entertainment facilities in several locations. For the purpose of entering into the Merger Agreement with Latitude Global, on November 4, 2011, we formed Latitude Global Acquisition Corp., as our wholly-owned subsidiary, which was dissolved in the State of Florida, by administrative dissolution, on September 28, 2012.

On December 5, 2012, we executed and entered into a Termination and Release Agreement (the “Termination Agreement”) with Latitude Global for the purpose of mutually terminating the Merger Agreement, and all proposed transactions relating to the merger. As a condition to the termination of the Merger Agreement, Latitude Global agreed to reimburse the Company \$47,500 for its expenses in connection with the Merger Agreement, including legal fees. Latitude Global agreed to pay this amount in six equal consecutive installments of \$7,917 with the initial payment having been received by us on or around December 11, 2012. The remaining five payments were also evidenced by a promissory note, in the principal amount of \$39,583 (the “Note”).

In December 2013, we commenced an action in the Circuit Court of the 4th Judicial Circuit in Duval County, Florida, against Latitude Global, for the payment of the outstanding principal amount of the Note, in the amount of \$39,583, together with interest at a rate of 8% per annum, court costs, collection costs and attorney’s fees. On September 23, 2014, we entered into a settlement agreement with Latitude Global for \$41,120, which was paid to the Company in installments from September 2014 through November 2014.

NOTE 5. RELATED PARTY TRANSACTIONS

From August 2014 to December 2014, advances of \$2,110 were made by related parties to the Company to pay operating expenses, increasing the notes payable to related parties to \$523,916. The notes accrued interest at 6% per annum. For the three and six months ended January 31, 2015, the Company recorded \$6,015 and \$13,912, respectively, of interest expense related to the notes held by related parties.

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In October 2014 and November 2014, the Company paid a total of \$29,131 in accrued interest for notes held by two of its shareholders.

On December 24, 2014, as a result of three separate Assignment and Assumption agreements, the Company's notes payable to related parties in the amount of \$523,916 and accrued interest of \$73,716 were sold by the related parties to three non-related parties for nominal consideration.

During the six months ended January 31, 2015, advances totaling \$15,735 were made by related parties pursuant to the issuance of convertible promissory notes to pay the Company's operating expenses. Including advances previously made by related parties, the Company had outstanding notes payable to related parties of \$20,235 as of January 31, 2016. The notes are convertible into shares of the Company's common stock at a conversion price of \$1.00 per share at the note holders' sole and exclusive option. The convertible notes are interest free until December 31, 2016, after which time the notes shall bear interest at 6% per annum. The convertible notes are due December 31, 2016

NOTE 6. CONVERTIBLE NOTES PAYABLE

On December 24, 2014, as a result of three separate Assignment and Assumption agreements, the Company's notes payable to related parties in the amount of \$523,916, including outstanding accrued interest, were sold by the related parties to three non-related parties for nominal consideration

On January 7, 2015, the outstanding notes payables of \$523,916 were replaced by convertible notes payables in the same amounts. In addition, accrued interest of \$74,491 associated with the outstanding notes payable was forgone and forgiven by the note holders. The notes are convertible into shares of the Company's common stock at a conversion price of \$1.00 per share at the note holders' sole and exclusive option. The convertible notes were originally interest free until December 31, 2015, and due on February 1, 2016. In January 2016, due dates for the convertible notes were extended to February 1, 2017. In addition, the convertible notes were amended to remain interest free until December 31, 2016, after which time the notes shall bear interest at 6% per annum.

NOTE 7. INCOME TAXES

The Company recognizes deferred income tax liabilities and assets for the expected future tax consequences of events that have been recognized in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. The Company has not incurred any income tax liabilities since its inception due to accumulated net losses of \$619,090. Due to the change in control transaction in December 2014, the utilization of the Company's pre-change net operating losses will be limited to approximately \$1,900 per year for federal income tax purposes. As a result, the maximum amount of net operating losses that can be carried forward was reduced to \$38,000. The expected income tax benefit for the net operating loss carryforwards was approximately \$13,000, assuming an effective tax rate of 35%, at January 31, 2016. A valuation allowance in the same amount has been provided to reduce the deferred tax asset since it is more likely than not, that realization of the asset will not occur.

For the six months ended January 31, 2015, there was no taxable income generated even though the Company generated net income of \$87,600 for the interim period. For tax purposes, the gain on the forgiveness of the outstanding accrued interest did not generate taxable income since the interest expense that made up the accrued interest that was forgiven was not deductible for tax purposes when accrued due to non-payment to the note holders. The gain on the termination of the merger agreement was more than offset by tax deductible interest expense, which consisted of amounts paid to the note holders during the period, legal expenses, and other operating expenses deductible for tax purposes.

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

The following discussion should be read in conjunction with our unaudited financial statements and the notes thereto.

Forward-Looking Statements

This quarterly report contains forward-looking statements and information (within the meaning of the Private Securities Litigation Reform Act of 1995) relating to Blink Couture, Inc. ("Blink Couture," "we," "us," "our" or the "Company" that are based on the beliefs of our management as well as assumptions made by, and information currently available to, our management. When used in this report, the words "believe," "anticipate," "expect," "estimate," "intend," "plan" and similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. These statements reflect management's current view of us concerning future events and are subject to certain risks, uncertainties and assumptions, including among many others: a general economic downturn; a downturn in the securities markets; federal or state laws or regulations having an adverse effect on proposed transactions that we desire to effect; Securities and Exchange Commission ("SEC") regulations which affect trading in the securities of "penny stocks;" and other risks and uncertainties. Although the Company believes its assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance the forward-looking statements included in this quarterly report will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved.

Description of the Business

The Company was incorporated in the State of Delaware on October 23, 2003, under the name Fashionfreakz International Inc. On December 2, 2005, the Company changed its name to Blink Couture, Inc. Until March 4, 2008, the Company's principal business was the online retail marketing of trendy clothing and accessories produced by independent designers. On March 4, 2008, the Company discontinued its prior business and changed its business plan. The Company's business plan now consists of exploring potential targets for a business combination through the purchase of assets, share purchase or exchange, merger or similar type of transaction.

The Company is currently considered to be a "blank check" company. The SEC defines those companies as "any development stage company that is issuing a penny stock, within the meaning of Section 3(a)(51) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that has no specific business plan or purpose, or has indicated that its business plan is to merge with an unidentified company or companies." Many states have enacted

statutes, rules and regulations limiting the sale of securities of “blank check” companies in their respective jurisdictions. The Company is also a “shell company,” defined in Rule 12b-2 under the Exchange Act as a company with no or nominal assets (other than cash) and no or nominal operations.

We will not be restricted in our search for business combination candidates to any particular geographical area, industry or industry segment, and may enter into a combination with a private business engaged in any line of business, including service, finance, mining, manufacturing, real estate, oil and gas, distribution, transportation, medical, communications, high technology, biotechnology or any other. Management’s discretion is, as a practical matter, unlimited in the selection of a combination candidate. Management will seek combination candidates in the United States and other countries, as available time and resources permit, through existing associations and by word of mouth. This plan of operation has been adopted in order to attempt to create value for our stockholders.

Termination of Proposed Acquisition of Operating Business

On November 10, 2011, we entered into an Agreement and Plan of Merger (the “Merger Agreement”), pursuant to which we planned to acquire Latitude Global, Inc. (“Latitude Global”), a company which, through its subsidiaries, currently operates combined restaurant and entertainment facilities in several locations. For the purpose of entering into the Merger Agreement with Latitude Global, on November 4, 2011, we formed Latitude Global Acquisition Corp., as our wholly-owned subsidiary, which was dissolved in the State of Florida, by administrative dissolution, on September 28, 2012.

On December 5, 2012, we executed and entered into a Termination and Release Agreement (the “Termination Agreement”) with Latitude Global for the purpose of mutually terminating the Merger Agreement, and all proposed transactions relating to the merger. As a condition to the termination of the Merger Agreement, Latitude Global agreed to reimburse the Company \$47,500 for its expenses in connection with the Merger Agreement, including legal fees. Latitude Global agreed to pay this amount in six equal consecutive installments of \$7,917 with the initial payment having been received by us on or around December 11, 2012. The remaining five payments were also evidenced by a promissory note, in the principal amount of \$39,583 (the “Note”).

In December 2013, we commenced an action in the Circuit Court of the 4th Judicial Circuit in Duval County, Florida, against Latitude Global, for the payment of the outstanding principal amount of the Note, in the amount of \$39,583.34, together with interest at a rate of 8% per annum, court costs, collection costs and attorney’s fees. On September 23, 2014, we entered into a settlement agreement with Latitude Global for \$41,120, which was paid to the Company in installments from September 2014 through November 2014.

Change in Control Transaction

On December 10, 2014, A. Terry Ray purchased 277,383 shares of the Company’s common stock from Cynthia Field and Charles Stephenson via a private transaction for \$50,000. The transaction represented 70.6% of the Company’s outstanding shares, resulting in a change in control of the Company’s common stock.

On January 3, 2015, A. Terry Ray was appointed Director of the Corporation, Lawrence D. Field resigned as President of the Corporation, and A. Terry Ray was appointed Director of the Corporation.

Results of Operations

The Company has not conducted any active operations since March 4, 2008, except for its efforts to locate suitable acquisition candidates. No revenue has been generated by the Company since inception in October 2003. It is unlikely the Company will have any revenues unless it is able to effect an acquisition or merger with an operating company. There can be no assurance that we will be able to consummate an acquisition of an operating company. It is management’s assertion that these circumstances may hinder the Company’s ability to continue as a going concern. The Company’s plan of operation for the next twelve