

CUSTOM BRANDED NETWORKS INC
Form 10QSB
May 17, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended MARCH 31, 2005

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

For the transition period to

Commission File Number 000-28535

NOVASTAR RESOURCES LTD.

(Exact name of small Business Issuer as specified in its charter)

NEVADA	91-1975651
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

821 E. 29TH
NORTH VANCOUVER, B.C. V7K 1B6

(Address of principal executive offices) (Zip Code)

Issuer's telephone number, including area code: 604-904-6946

CUSTOM BRANDED NETWORKS, INC.

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) 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 issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes No

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 73,172,532 SHARES OF \$.001 PAR VALUE COMMON STOCK OUTSTANDING AS OF MARCH 31, 2005.

PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying un-audited financial statements have been prepared in accordance with the instructions to Form 10-QSB and, therefore, do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' deficit in conformity with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the nine months ended March 31, 2005 are not necessarily indicative of the results that can be expected for the year ending June 30, 2005.

CUSTOM BRANDED NETWORKS, INC.
(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2005
(Unaudited)
(Stated in U.S. Dollars)

CUSTOM BRANDED NETWORKS, INC.
(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Stated in U.S. Dollars)

MARCH 31
2005

JUNE 30
2004

ASSETS

Equipment, net	\$	657	\$	774
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LIABILITIES

Current

Accounts payable and accrued liabilities	\$	226,373	\$	323,663
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Convertible Note Payable, net of discount (Note 2)		-		449,306
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		226,373		772,969
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STOCKHOLDERS' DEFICIENCY

Share Capital

Authorized (Note 4):

250,000,000 common shares with a par value of \$0.001 per share

50,000,000 preferred shares with a par value of \$0.001 per share (none issued)

Issued and outstanding:

73,172,532 common shares at March 31, 2005 and

38,372,532 common shares at June 30, 2004		73,173		38,373
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Additional paid-in capital		2,687,299		636,281
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Deficit Accumulated During The Development Stage		(2,803,236)		(1,446,849)
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Deferred Compensation		(182,952)		-
		(225,716)		(772,195)

	\$	657	\$	774
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CUSTOM BRANDED NETWORKS, INC.
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Stated in U.S. Dollars)

	THREE MONTHS ENDED		NINE MONTHS ENDED		INCEPTION
	MARCH 31		MARCH 31		JUNE 18
	2005	2004	2005	2004	1999 TO
					MARCH 31
					2005
Revenue	\$ -	\$ -	\$ -	\$ -	\$ 184,162
Expenses					
Administrative expenses	77,439	3,432	80,526	33,516	1,511,848
Consulting fees	833,048	-	833,048	-	833,048
Interest expense	411,693	13,581	442,813	40,743	580,057
Mineral property payment	-	-	-	-	50,000
Write down of capital assets	-	-	-	-	12,445
	1,322,180	17,013	1,356,387	74,259	2,987,398
Net Loss For The Period	\$ (1,322,180)	\$ (17,013)	\$ (1,356,387)	\$ (74,259)	\$ (2,803,236)
Basic And Diluted Loss Per Share	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.01)	
Weighted Average Number Of Shares Outstanding	65,722,532	38,372,352	50,110,123	38,372,532	

CUSTOM BRANDED NETWORKS, INC.
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Stated in U.S. Dollars)

	NINE MONTHS ENDED		INCEPTION
	MARCH 31		JUNE 28
	2005	2004	1999 TO
			MARCH 31
			2005
Operating Activities			
Net loss for the period	\$ (1,356,387)	\$ (74,259)	\$ (2,803,236)
Adjustments To Reconcile Loss To Net Cash			
Used By Operating Activities			
Shares issued for other than cash	733,048	22,500	778,048
Amortization	117	145	3,156
Amortization of interest	442,813	40,743	579,379
Write down of capital assets	-	-	12,445
Change in accounts payable and accrued liabilities	72,528	6,449	396,191
	(107,881)	(4,422)	(1,034,017)
Investing Activity			
Purchase of capital assets	-	-	(1,808)
Financing Activities			
Proceeds from loan payable to shareholder	-	-	16,097
Issue of common shares	-	-	18,950
Convertible note payable	107,881	4,422	