

# Everybody's Phone Company

(Exact Name of Registrant in its Charter)

(A Development Stage Company)

**6666 Harwin, Suite 664**

**Houston, TX 77036**

(Address of Principal Executive Offices) (Zip Code)

(713) 268-1610

Registrant's Telephone Number

## ANNUAL FINANCIAL STATEMENTS

### WITH ACCOMPANYING NOTES

For the Year Ending December 31, 2012

Unaudited

REQUIRED TO CONFORM WITH THE PROVISIONS OF  
THE PINK SHEETS ISSUERS DISCLOSURE STATEMENT

Everybody's Phone Company  
(a development stage company)  
Balance Sheet  
For the Period Ending December 31, 2012

	<u>Dec 31, 12</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Checking	10,386
<b>Total Checking/Savings</b>	10,386
<b>Accounts Receivable</b>	
Accounts Receivable	147,360
<b>Total Accounts Receivable</b>	147,360
<b>Other Current Assets</b>	
Other Current Asset	11,667
<b>Total Other Current Assets</b>	11,667
<b>Total Current Assets</b>	169,413
<b>Fixed Assets</b>	
Fixed Asset	10,948
<b>Total Fixed Assets</b>	10,948
<b>Other Assets</b>	
Investments	52,000
<b>Total Other Assets</b>	52,000
<b>TOTAL ASSETS</b>	<u><u>232,361</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	4,136
<b>Total Accounts Payable</b>	4,136
<b>Other Current Liabilities</b>	
Loans	46,234
Payroll Liabilities	2,356
Sales Tax Payable	759
<b>Total Other Current Liabilities</b>	49,349
<b>Total Current Liabilities</b>	53,485
<b>Long Term Liabilities</b>	
Notes	246,568*
<b>Total Long Term Liabilities</b>	246,568
<b>Total Liabilities</b>	300,053
<b>Equity</b>	
Equity	1,253,489
Preferred	30,000
Retained Earnings	-988,890
Net Income	-362,291
<b>Total Equity</b>	-67,692
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>232,361</u></u>

\* See page 7 of accompanying financial notes for explanation of this number

Everybody's Phone Company  
(a development stage company)  
Statement of Cash Flows  
January through December 2012

	<u>Jan - Dec 12</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	-362,291
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	4,840
Other Current Asset: Deposit	-817
Other Current Asset: Prepaid	-850
Accounts Payable	1,215
Loans: Shareholder Loan	46,234
Payroll Liabilities	2,244
Sales Tax Payable	<u>759</u>
Net cash provided by Operating Activities	-308,666
<b>INVESTING ACTIVITIES</b>	
Fixed Asset: Computer: Accum/Dep Computer	761
Fixed Asset: Furniture: Accum/Dep Furniture	<u>1,026</u>
Net cash provided by Investing Activities	1,787
<b>FINANCING ACTIVITIES</b>	
Notes	-53,250
Equity: Common Stock	490,235
Equity: Paid In Capital	-157,360
Equity: Stock Subscriptions	<u>33,250</u>
Net cash provided by Financing Activities	<u>312,875</u>
Net cash increase for period	5,996
Cash at beginning of period	<u>4,389</u>
Cash at end of period	<u><u>10,385</u></u>

Everybody's Phone Company  
(a development stage company)  
**Profit & Loss**  
For the Period Ending December 31, 2012

	<u>Oct - Dec 12</u>	<u>Jan-Dec 12</u>
<b>REVENUE</b>		
Income	\$ 1,557	\$ 2,985
Cost of Sales	<u>\$ 2,553</u>	<u>\$ 3,798</u>
Gross Profit	-\$996	-\$813
 <b>EXPENSES</b>		
General and Administrative	\$ 79,830	\$ 339,136
Rent	\$ 4,064	\$ 16,254
Utilities	\$ 1,224	\$ 3,409
Travel	\$ -	\$ 2,679
 <b>Total Expenses</b>	 <u>\$ 85,118</u>	 <u>\$ 361,478</u>
 <b>Loss</b>	 <u><u>-\$86,114</u></u>	 <u><u>-\$362,291</u></u>

Everybody's Phone Company  
(a development stage company)  
Consolidated Statements of Shareholder Equity (Deficit)  
For the Year Ending December 31, 2010, 2011 and  
For the Year Ending December 31, 2012

	<u>Common Shares</u>	<u>Preferred Shares</u>	<u>Amounts</u>	<u>Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balance December 31, 2010	52,791,465		52,791	418,205	-588,237	-117,240
Stock issued through March 31, 2011	128,500,000		128,500	206,539		335,039
Stock Subscription				-191,818		-191,818
Net Loss through March 31, 2011					-188,600	-188,600
Balance March 31, 2011	181,291,465		181,291	432,926	-776,837	-162,619
Stock issued through June 30, 2011	35,000,000	30,000	35,000	10,000		75,000
Net Loss through June 30, 2011					-124,851	-124,851
Balance June 30, 2011	216,291,465	30,000	216,291	442,926	-901,688	-212,470
Net Loss through September 30, 2011					-46,873	-46,873
Balance September 30, 2011	216,291,465	30,000	216,291	442,926	-948,561	-259,343
Net Loss through December 31, 2011					-40,329	-40,329
Stock issued through December 31, 2011	45,000,000		45,000	183,147		228,147
Balance December 31, 2011	261,291,465	30,000	261,291	626,073	-988,890	-71,526
Net Loss through March 31, 2012					-123,466	-123,466
Stock issued through March 31, 2012	90,469,230		90,470	67,030		157,500
Balance March 31, 2012	351,760,695	30,000	351,761	693,103	-1,112,356	-37,492
Net Loss through June 30, 2012					-81,872	-81,872
Stock issued through June 30, 2012	37,500,000		37,500	2,500		-40,000
Balance June 30, 2012	389,260,695	30,000	389,261	695,603	-1,194,228	-79,364
Net Loss through Sept 30, 2012					-70839	-70839
Stock issued through Sept 30, 2012	135,100,000		135,100	-\$33,100		102,000
Balance Sept 30, 2012	524,360,695	30,000	524,360	662,503	-1,265,067	-48,203
Net Loss through Dec 31, 2012					-86114	-86114
Stock issued through Dec 31, 2012	227,166,000		227,166	-160,540		66,626
Balance Dec 31, 2012	751,526,695	30,000	751,526	501,693	-1,351,181	-67,692

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**Notes**

1. Prior to January 1, 2005 EPC Issued the following:
  - a. 9/13/03 4,510,000 were issued
  - b 10/09/03 10,000 shares were issued
2. No shares were issued in fiscal years 2004/05
3. 9/15/06 4,320,000 shares were issued
4. 7/12/07 40,000 shares were issued
5. 12/31/08 220,000 were issued
6. Stock issued through June 30, 2009 16,890,000
7. Stock issued from October through December 31, 2009 23,861,465
8. Stock through Jan - Mar 2010 -1,160,000
9. No shares issued April through June 2010
10. Shares canceled July through September 2010 1,450,000
11. 12/1/2010 5,250,000 were issued
12. Stock issued through March 31, 2011 68,500,000 free trading and 60,000,000 restricted
13. Stock issued through June 30, 2011 5,000,000 free trading shares and 30,000,000 restricted and 30,000 series "A" preferred
14. Stock issued through December 31, 2011 45,000,000 free trading shares
15. Stock issued through March 31, 2012 54,469,230 free trading shares and 36,000,000 restricted
16. Stock issued through June 30, 2012 39,500 free trading shares
17. Stock issued through September 30, 2012 73,100,000 free trading shares and 62,000,000 restricted
18. Stock issued through December 31, 2012 227,166,000

Everybody's Phone Company  
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Notes to Financial Results  
As of December 31, 2012

**Note 1- Summary of Significant Accounting Policies**

**Payroll:**

Beginning January 1, 2004 through September 2009 the company has accrued 69 months of payroll for two officers of the Corporation totaling \$552,000 however only 57 months through September 2008 for a total of \$ 456,000 were assigned to various third party non-affiliates in October 2008.

**Long Term Notes:**

The company received stock of a public traded company from the three directors of the corporation during fiscal year 2006 totaling \$ 153,317, which were assigned to various third party non-affiliates in October 2008.

The third party non-affiliates mention in the above notes only purchased \$100,000 of the total amount of debt of \$609,317: therefore the remaining debt was recorded on EVPH Balance Sheet in December 2010.

In December 2010 \$50,000 of debt was assigned to a third party non-affiliate which was from a convertible note from the Company dated September 30, 2008.

In January 2011 \$ 69,999 of debt was assigned to a third party non-affiliate which was from a convertible note from the Company dated October 3, 2009.

In March 2011 \$ 188,500 of debt was assigned to a third party non-affiliate which was from a convertible note from the Company dated November 30, 2009.

In November 2011 \$ 105,000 of debt was assigned to a third party non-affiliate which was from a convertible note from the Company dated October 3, 2010.

Long term liabilities of \$ 246,568 are due the three (3) founders of the company. All three (3) founders of the Company have agreed that the payment of said accrued liabilities would be forgiven and/or paid with restricted shares of common stock of the company.

**Accounts Receivable:**

The former President of the company received an advance of \$49,200

A third party non-affiliate who purchased debt has an outstanding balance of \$ 90,000.00 due the note holder that has assigned the note to EVPH

**Deposit:**

AT&T required a deposit of \$10,000 from EVPH prior to any business activity. If EVPH maintains their monthly bill according to terms, AT&T will release some and/or all of the deposit paid at a future date

**Investment:**

During the 2<sup>nd</sup> quarter 2011 EVPH invested \$ 52,000 as announced previously with NatServ concerning a mortgage purchase agreement. EVPH anticipates exiting this agreement during the 4th quarter 2011 with a full return on its cash and a profit on its investment.

**Loans:**

The Company received a \$ 50,000 loan from a shareholder in June 2012 which will be repaid monthly over a term of five (5) years with an interest rate of twelve (12%) percent

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Notes to Financial Results  
As of December 31, 2012

**ORGANIZATION:**

The exact name of the issuer is Everybody's Phone Company ("we," "us," "our" or the "Company"). We were incorporated in the State of Texas on September 3, 2003.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Company uses the accrual basis of accounting and accounting principles generally accepted in the United States of America ("GAAP" accounting) are the financial statements are presented in US dollars. The Company has adopted a December 31 fiscal year end.

**Use of Estimates and Assumptions**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of assets requires management to make estimates and assumptions that affect the reported amounts and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and the expenses during the reporting period. Actual minor results could differ from those estimates.

**Advertising Costs**

The Company's policy regarding advertising is to expense advertising when incurred.

**Revenue Recognition**

The Company recognizes revenue when products are fully delivered or services have been provided and collection is reasonably assured.

**COMMON STOCK**

**Common Stock:**

The par value of the Company's Common Stock is \$0.001 per share with 10,000,000,000 shares authorized. Each share of common stock entitles the holder to one vote on each matter submitted to a vote of our stockholders, including the election of directors. There is no cumulative voting. Common stockholders have no preemptive, conversion or other subscription rights. In the event of liquidation, dissolution or winding up of Company, stockholders are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding.

**Preferred Stock:**

The par value of the Company's Preferred stock is \$ 1.00 with 50,000,000 shares authorized. The powers, preferences and rights of the Preferred stock and any qualifications, limitations or restrictions will be determined by the board upon issuance.