

BNH INC  
Form 10-Q  
August 09, 2011

U. S. 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 Fiscal quarter ended June 30, 2011

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: 333-150266

BNH INC.

(Exact Name of Registrant as specified in its charter)

Nevada  
(State or other jurisdiction of  
incorporation or organization)

92-0189305  
(I.R.S. Employer  
Identification No.)

BNH INC.  
c/o Nehemya Hesin  
29 Rashbi St. Apt # 19  
Modiin Illit, Israel, 71919  
Phone: 212-428-6883  
Fax: 212-658-9741

(Address of principal executive offices, including zip code)

\_\_\_\_\_

Indicate by check mark whether the registrant (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 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.

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Large accelerated filer   
Non-accelerated filer

Accelerated filer   
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

The issuer had 7,583,334 shares of its common stock issued and outstanding as of August 2, 2011.

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Cautionary Statement Concerning  
Forward-Looking Statements

USE OF NAMES

In this quarterly report, the terms “BNH,” “Company,” “we,” or “our,” unless the context otherwise requires, mean BNH Inc.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and other reports that we file with the SEC contain statements that are considered forward-looking statements. Forward-looking statements give the Company’s current expectations, plans, objectives, assumptions, or forecasts of future events. All statements other than statements of current or historical fact contained in this quarterly report, including statements regarding the Company’s future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “anticipate,” “estimate,” “plans,” “potential,” “projects,” “ongoing,” “expects,” “management believes,” “we believe,” “we intend,” and similar expressions. These statements are based on the Company’s current plans and are subject to risks and uncertainties, and as such the Company’s actual future activities and results of operations may be materially different from those set forth in the forward looking statements. Any or all of the forward-looking statements in this quarterly report may turn out to be inaccurate and as such, you should not place undue reliance on these forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. The forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks, uncertainties, and assumptions due to a number of factors, including:

- dependence on key personnel;
- competitive factors;
- degree of success of research and development programs;
- the operation of our business; and
- general economic conditions in the United States and Israel.

These forward-looking statements speak only as of the date on which they are made, and except to the extent required by federal securities laws, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements contained in this Quarterly Report.

PART I

Item 1. Financial Statements.  
BNH INC.

(A DEVELOPMENT STAGE COMPANY)

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JUNE 30, 2011 AND DECEMBER 31, 2010

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BNH INC.  
(A DEVELOPMENT STAGE COMPANY)  
BALANCE SHEETS  
AS OF JUNE 30, 2011 AND DECEMBER 31, 2010

ASSETS

	June 30, 2011 (Unaudited)	December 31, 2010 (Audited)
Current Assets:		
Cash in bank	\$ 30	\$ 2,554
<b>Total current assets</b>	<b>30</b>	<b>2,554</b>
<b>Total Assets</b>	<b>\$ 30</b>	<b>\$ 2,554</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 7,254	\$ 316
Accrued liabilities	2,000	4,500
Due to shareholder	145,569	90,061
<b>Total current liabilities</b>	<b>154,823</b>	<b>94,877</b>
<b>Total liabilities</b>	<b>154,823</b>	<b>94,877</b>
Commitments and Contingencies	-	-
Stockholders' Equity:		
Preferred stock, par value \$0.001 per share, 5,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, par value \$0.001 per share, 100,000,000 shares authorized; 7,583,334 shares issued and outstanding	7,583	7,583
Additional paid-in capital	64,917	64,917
(Deficit) accumulated during development stage	(227,293)	(164,823)
<b>Total stockholders' equity</b>	<b>(154,793)</b>	<b>(92,323)</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 30</b>	<b>\$ 2,554</b>

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

BNH INC.  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENTS OF OPERATIONS  
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2011 AND 2010,  
AND CUMULATIVE FROM INCEPTION (SEPTEMBER 4, 2007)  
THROUGH JUNE 30, 2011  
(Unaudited)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	Cumulative From Inception
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses:					
General and administrative-					
Professional fees	27,255	5,337	60,755	16,248	207,999
Filing fees	1,517	438	1,715	1,983	9,026
Travel expenses	-	-	-	-	3,419
Officers' compensation paid by issued shares	-	-	-	-	4,750
Organization costs	-	-	-	-	488
Other costs	-	59	-	118	1,611
Total general and administrative expenses	28,772	5,834	62,470	18,349	227,293
(Loss) from Operations	(28,772)	(5,834)	(62,470)	(18,349)	(227,293)
Other Income (Expense)	-	-	-	-	-
Provision for income taxes	-	-	-	-	-
Net (Loss)	\$ (28,772)	\$ (5,834)	\$ (62,470)	\$ (18,349)	\$ (227,293)
(Loss) Per Common Share:					
(Loss) per common share - Basic and Diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)	
Weighted Average Number of Common Shares					
Outstanding - Basic and Diluted	7,583,334	7,583,334	7,583,334	7,583,334	

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





BNH INC.  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENT OF STOCKHOLDERS' EQUITY  
FOR THE PERIOD FROM INCEPTION (SEPTEMBER 4, 2007)  
THROUGH JUNE 30, 2011  
(Unaudited)

Description	Common stock Shares	Common stock Amount	Additional Paid-in Capital	Paid Stock Subscriptions	(Deficit) Accumulated During the Development Stage	Totals
Balance - at inception	-	\$-	\$-	\$ -	\$ -	\$-
Common stock issued for officers' compensation	4,750,000	4,750	-	-	-	4,750
Payment for stock subscriptions	-	-	-	1,000	-	1,000
Common stock issued for cash	1,250,000	1,250	24,000	-	-	25,250
Net (loss) for the year	-	-	-	-	(25,798 )	(25,798 )
Balance - December 31, 2007	6,000,000	6,000	24,000	1,000	(25,798 )	5,202
Common stock issued for cash	1,000,000	1,000	24,000	(1,000 )	-	24,000
Net (loss) for the year	-	-	-	-	(28,511 )	(28,511 )
Balance - December 31, 2008	7,000,000	7,000	48,000	-	(54,309 )	691
Common stock issued for cash	583,334	583	16,917	-	-	17,500
Net (loss) for the year	-	-	-	-	(59,267 )	(59,267 )
Balance - December 31, 2009	7,583,334	\$7,583	\$64,917	\$ -	\$ (113,576 )	\$(41,076 )
Net (loss) for the year	-	-	-	-	(51,247 )	(51,247 )
Balance - December 31, 2010	7,583,334	\$7,583	\$64,917	\$ -	\$ (164,823 )	\$(92,323 )
Net (loss) for the period	-	-	-	-	(62,470 )	(62,470 )
Balance - June 30, 2011	7,583,334	\$7,583	\$64,917	\$ -	\$ (227,293 )	\$(154,793 )

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

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BNH INC.  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010, AND  
CUMULATIVE FROM INCEPTION (SEPTEMBER 4, 2007)  
THROUGH JUNE 30, 2011  
(Unaudited)

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	Cumulative From Inception
<b>Operating Activities:</b>			
Net (loss)	\$(62,470 )	\$(18,349 )	\$(227,293 )
Adjustments to reconcile net (loss) to net cash provided by operating activities:			
Common stock issued for officers' compensation	-	-	4,750
Changes in net assets and liabilities-			
Prepaid expenses	-	156	-
Accounts payable	6,938	(1,200 )	7,254
Accrued liabilities	(2,500 )	(650 )	2,000
<b>Net Cash Used in Operating Activities</b>	<b>(58,031 )</b>	<b>(20,043 )</b>	<b>(213,288 )</b>
<b>Investing Activities:</b>			
Cash provided by investing activities	-	-	-
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financing Activities:</b>			
Loan from shareholder	55,508	19,925	145,569
Issuance of common stock for cash	-	-	67,750
<b>Net Cash Provided by Financing Activities</b>	<b>55,508</b>	<b>19,925</b>	<b>213,319</b>
<b>Net (Decrease) Increase in Cash</b>	<b>(2,523 )</b>	<b>(118 )</b>	<b>30</b>
Cash - Beginning of Period	2,554	6,500	-
Cash - End of Period	\$30	\$6,382	\$30
<b>Supplemental disclosure of cash flow information:</b>			
<b>Cash paid during the period for:</b>			
Interest	\$-	\$-	\$-
Income taxes	\$-	\$-	\$-

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

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BNH INC.  
(A DEVELOPMENT STAGE COMPANY)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND DECEMBER 31, 2010

## 1. Summary of Significant Accounting Policies

### Basis of Presentation and Organization

BNH Inc. (the “Company”) is a Nevada corporation in the development stage, and has limited operations. The Company was incorporated under the laws of the State of Nevada on September 4, 2007. Initially, the proposed business plan of the Company was to establish the Company as a distributor of bio-degradable plastic utensils to environmentally conscious consumers in Israel and later in the United States. Currently, the Company has shifted its focus from bioplastic products to the emerging greenhouse gas (GHG) carbon credit market. The accompanying financial statements of the Company were prepared from the accounts of the Company under the accrual basis of accounting.

### Unaudited Interim Financial Statements

The interim financial statements of the Company as of June 30, 2011, and for the periods ended, and cumulative from inception, are unaudited. However, in the opinion of management, the interim financial statements include all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the Company’s financial position as of June 30, 2011, and the results of its operations and its cash flows for the periods ended June 30, 2011, and cumulative from inception. These results are not necessarily indicative of the results expected for the calendar year ending December 31, 2011. The accompanying financial statements and notes thereto do not reflect all disclosures required under accounting principles generally accepted in the United States. Refer to the Company’s audited financial statements as of December 31, 2010, filed with the SEC, for additional information, including significant accounting policies.

### Cash and Cash Equivalents

For purposes of reporting within the statement of cash flows, the Company considers all cash on hand, cash accounts not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

### Revenue Recognition

The Company is in the development stage and has yet to realize revenues from operations. Once the Company has commenced operations, it will recognize revenues when delivery of goods or completion of services has occurred provided there is persuasive evidence of an agreement, acceptance has been approved by its customers, the fee is fixed or determinable based on the completion of stated terms and conditions, and collection of any related receivable is probable.

### Loss per Common Share

Basic loss per share is computed by dividing the net loss attributable to the common stockholders by the weighted average number of shares of common stock outstanding during the period. Fully diluted loss per share is computed similar to basic loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common

shares were dilutive. There were no dilutive financial instruments issued or outstanding for the period ended June 30, 2011.

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## Income Taxes

Deferred tax assets and liabilities are determined based on temporary differences between the bases of certain assets and liabilities for income tax and financial reporting purposes. The deferred tax assets and liabilities are classified according to the financial statement classification of the assets and liabilities generating the differences.

The Company maintains a valuation allowance with respect to deferred tax assets. The Company establishes a valuation allowance based upon the potential likelihood of realizing the deferred tax asset and taking into consideration the Company's financial position and results of operations for the current period. Future realization of the deferred tax benefit depends on the existence of sufficient taxable income within the carryforward period under the federal tax laws.

Changes in circumstances, such as the Company generating taxable income, could cause a change in judgment about the realizability of the related deferred tax asset. Any change in the valuation allowance will be included in income in the year of the change in estimate.

## Fair Value of Financial Instruments

The Company estimates the fair value of financial instruments using the available market information and valuation methods. Considerable judgment is required in estimating fair value. Accordingly, the estimates of fair value may not be indicative of the amounts the Company could realize in a current market exchange. As of June 30, the carrying value of accounts payable-trade and accrued liabilities approximated fair value due to the short-term nature and maturity of these instruments.

## Deferred Offering Costs

The Company defers as other assets the direct incremental costs of raising capital until such time as the offering is completed. At the time of the completion of the offering, the costs are charged against the capital raised. Should the offering be terminated, deferred offering costs are charged to operations during the period in which the offering is terminated.

## Concentration of Risk

As of June 30, 2011, the Company maintained a commercial bank account. The balance in the account was subject to FDIC coverage.

## Common Stock Registration Expenses

The Company considers incremental costs and expenses related to the registration of equity securities with the SEC, whether by contractual arrangement as of a certain date or by demand, to be unrelated to original issuance transactions. As such, subsequent registration costs and expenses are reflected in the accompanying financial statements as general and administrative expenses, and are expensed as incurred.

## Lease Obligations

All noncancellable leases with an initial term greater than one year are categorized as either capital leases or operating leases. Assets recorded under capital leases are amortized according to the methods employed for property and equipment or over the term of the related lease, if shorter.

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## Estimates

The financial statements are prepared on the basis of accounting principles generally accepted in the United States. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of June 30, 2011 and December 31, 2010, and expenses for the periods ended June 30, 2011 and 2010, and cumulative from inception. Actual results could differ from those estimates made by management.

## Fiscal Year End

The Company has adopted a fiscal year end of December 31.

## Recent Accounting Pronouncements

In April 2010, the FASB issued ASU No. 2010-17, Revenue Recognition—Milestone Method (ASU 2010-017). ASU 2010-017 provides guidance in applying the milestone method of revenue recognition to research or development arrangements. This guidance concludes that the milestone method is a valid application of the proportional performance model when applied to research or development arrangements. Accordingly, an entity can make an accounting policy election to recognize a payment that is contingent upon the achievement of a substantive milestone in its entirety in the period in which the milestone is achieved. The guidance is effective for fiscal years, and interim periods within those years, beginning on or after June 15, 2010. The adoption of this accounting standard had no impact on the Company's financial position or results of operations.

In February 2010, the FASB issued amended guidance on subsequent events. Under this amended guidance, SEC filers are no longer required to disclose the date through which subsequent events have been evaluated in originally issued and revised financial statements. This guidance was effective immediately and the Company adopted these new requirements upon issuance of this guidance.

In January 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-06, Fair Value Measurements and Disclosures (Topic 820)—Improving Disclosures about Fair Value Measurements (ASU No. 2010-06). ASU No. 2010-06 requires: (1) fair value disclosures of assets and liabilities by class; (2) disclosures about significant transfers in and out of Levels 1 and 2 on the fair value hierarchy, in addition to Level 3; (3) purchases, sales, issuances, and settlements be disclosed on gross basis on the reconciliation of beginning and ending balances of Level 3 assets and liabilities; and (4) disclosures about valuation methods and inputs used to measure the fair value of Level 2 assets and liabilities. ASU No. 2010-06 becomes effective for the first financial reporting period beginning after December 15, 2009, except for disclosures about purchases, sales, issuances, and settlements of Level 3 assets and liabilities which will be effective for fiscal years beginning after December 15, 2010. The adoption of this accounting standard had no impact on the Company's financial position or results of operations.

In October 2009, the FASB issued ASU No. 2009-13, Revenue Recognition (Topic 605)—Multiple-Deliverable Revenue Arrangements: a consensus of the FASB Emerging Issues Task Force (ASU 2009-13). ASU 2009-13 establishes a selling-price hierarchy for determining the selling price of each element within a multiple-deliverable arrangement. Specifically, the selling price assigned to each deliverable is to be based on vendor-specific objective evidence (VSOE) if available, third-party evidence, if VSOE is unavailable, and estimated selling prices if neither VSOE or third-party evidence is available. In addition, ASU 2009-13 eliminates the residual method of allocating arrangement consideration and instead requires allocation using the relative selling price method. ASU 2009-13 will

be effective prospectively for multiple-deliverable revenue arrangements entered into, or materially modified, in fiscal years beginning on or after June 15, 2010. The adoption of this accounting standard had no impact on the Company's financial position or results of operations.

In August 2009, the FASB issued ASU No. 2009-05, Fair Value Measurements and Disclosures (Topic 820)—Measuring Liabilities at Fair Value (ASU 2009-05). ASU 2009-05 provides guidance in measuring the fair value of a liability when a quoted price in an active market does not exist for an identical liability or when a liability is subject to restrictions on its transfer. ASU 2009-15 was effective for the Company beginning with the quarter ended December 31, 2009. The adoption of this accounting standard had no impact on the Company's financial position or results of operations.

## 2. Development Stage Activities and Going Concern

The Company is currently in the development stage, and has not commenced operations. Initially, the business plan of the Company is to establish the Company as a distributor of bio-plastic utensils to environmentally conscious consumers in Israel and later in the United States. Currently, the Company has shifted its focus from bioplastic products to the emerging greenhouse gas (GHG) carbon credit market.

The Company began a capital formation activity through a PPO, exempt from registration under the Securities Act of 1933, to raise up to \$50,000 through the issuance of 2,000,000 shares of its common stock, par value \$0.001 per share, at an offering price of \$0.025 per share. As of January 23, 2008, the Company had fully subscribed the PPO and raised \$50,000 in proceeds with the issuance of 2,000,000 shares of its common stock.

The Company also commenced an activity to submit a Registration Statement on Form S-1 to the Securities and Exchange Commission ("SEC") to register 2,000,000 of its outstanding shares of common stock on behalf of selling stockholders. The Company will not receive any of the proceeds of this registration activity once the shares of common stock are sold. The Registration Statement on Form S-1 was filed with the SEC on April 16, 2008, and declared effective on April 30, 2008.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States, which contemplate continuation of the Company as a going concern. The Company has not established any source of revenues to cover its operating costs, and as such, has incurred an operating loss since inception. Further, as of June 30, 2011, the cash resources of the Company were insufficient to meet its current business plan. These and other factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

## 3. Loan from Stockholder

As of March 30, 2011, loans from an individual who is a stockholder of the Company amounted to \$145,569. The loans were provided for working capital purposes, and are unsecured, non-interest bearing, and due on demand.

## 4. Common Stock

On September 4, 2007, pursuant to the terms of a subscription agreement, the Company sold 250,000 shares of common stock to Mrs. Goldy Klein, Secretary, for cash payment of \$250 (par value). The Company believes this issuance was deemed to be exempt under Regulation S of the Securities Act.

On October 18, 2007, the Company issued 1,500,000 shares of common stock, valued at \$1,500, to an officer of the Company for services rendered.

On October 25, 2007, the Company issued 250,000 shares of common stock, valued at \$250, to an officer of the Company for services rendered.

On November 12, 2007, the Company issued 3,000,000 shares of common stock, valued at \$3,000, to an officer of the Company for services rendered.



In addition, on November 30, 2007, the Company began a capital formation activity through a PPO, exempt from registration under the Securities Act of 1933, to raise up to \$50,000 through the issuance of 2,000,000 shares of its common stock, par value \$0.001 per share, at an offering price of \$0.025 per share. As of December 27, 2007, the Company had received \$26,000 in proceeds from the PPO. As of January 23, 2008, the Company had fully subscribed the PPO and raised \$50,000 in proceeds with the issuance of 2,000,000 shares of its common stock.

The Company also commenced an activity to submit a Registration Statement on Form S-1 to the Securities and Exchange Commission (“SEC”) to register 2,000,000 of its outstanding shares of common stock on behalf of selling stockholders. The Company will not receive any of the proceeds of this registration activity once the shares of common stock are sold. The Registration Statement on Form S-1 was filed with the SEC on April 16, 2008, and declared effective on April 30, 2008.

On July 27, 2009, 291,667 shares were issued pursuant to a private placement subscription agreement for cash consideration of \$8,750 at a subscription price of \$0.03 per unit.

On November 9, 2009, 291,667 shares were issued pursuant to a private placement subscription agreement for cash consideration of \$8,750 at a subscription price of \$0.03 per unit.

## 5. Income Taxes

The provision (benefit) for income taxes for the periods ended June 30, 2011 and 2010 was as follows (assuming a 23% effective tax rate):

	2011	2010
<b>Current Tax Provision:</b>		
Federal-		
Taxable income	\$ -	\$ -
<b>Total current tax provision</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Deferred Tax Provision:</b>		
Federal-		
Loss carryforwards	\$ 14,368	\$ 4,220
Change in valuation allowance	(14,368)	(4,220)
<b>Total deferred tax provision</b>	<b>\$ -</b>	<b>\$ -</b>

The Company had deferred income tax assets as of June 30, 2011 and December 31, 2010, as follows:

	2011	2010
Loss carryforwards	\$ 52,277	\$ 37,909
Less - Valuation allowance	(52,277 )	(37,909 )
<b>Total net deferred tax assets</b>	<b>\$ -</b>	<b>\$ -</b>

The Company provided a valuation allowance equal to the deferred income tax assets for the periods ended June 30, 2011 and December 31, 2010 because it is not presently known whether future taxable income will be sufficient to

utilize the loss carryforwards.

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As of June 30, 2011, the Company had approximately \$227,293 in tax loss carryforwards that can be utilized in future periods to reduce taxable income, and expire by the year 2031.

The Company did not identify any material uncertain tax positions on tax returns that were or will be filed. The Company did not recognize any interest or penalties for unrecognized tax benefits.

The federal income tax returns of the Company are subject to examination by the IRS, generally for three years after they are filed.

#### 6. Related Party Transactions

On September 4, 2007, pursuant to the terms of a subscription agreement, the Company sold 250,000 shares of common stock to Mrs. Goldy Klein, Secretary, for cash payment of \$250 (par value). The Company believes this issuance was deemed to be exempt under Regulation S of the Securities Act.

On October 18, 2007, the Company issued 1,500,000 shares of common stock, valued at \$1,500 to an officer of the Company for services rendered.

On October 25, 2007, the Company issued 250,000 shares of common stock, valued at \$250 to an officer of the Company for services rendered.

On November 12, 2007, the Company issued 3,000,000 shares of common stock, valued at \$3,000 to an officer of the Company for services rendered.

As described in Note 3, as of June 30, 2011, the Company owed \$145,569 to an individual who is a stockholder of the Company.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help you understand our historical results of operations during the periods presented and our financial condition. This MD&A should be read in conjunction with our financial statements and the accompanying notes, and contains forward-looking statements that involve risks and uncertainties. See section entitled "Cautionary Statement Concerning Forward Looking Statements" above.

### Overview

We were incorporated in the State of Nevada on September 4, 2007. Initially we had been in the process of establishing ourselves as a company in the business of distributing and selling environmentally friendly and biodegradable plastics (bioplastics for short), in the form of disposable utensils, plates, and cups to environmentally-conscious consumers in Israel and later in the United States. Currently, the Company has shifted its focus from bioplastic products to the emerging greenhouse gas (GHG) carbon credit market.

We have not generated any revenue since our inception. We are a development stage company with limited operations. Our auditors have issued a going concern opinion. This means that our auditors believe there is substantial doubt that we can continue as an ongoing business for the next twelve months.

### PLAN OF OPERATION

We have not had any revenues since our inception on September 4, 2007. As originally stated, the business plan of the Company was to establish the Company as a distributor of environmentally-friendly, bioplastic utensils. Currently, the Company has shifted its focus from bioplastic products to the emerging greenhouse gas (GHG) carbon credit market. The Company plans to provide matching services for corporations who need to reduce emission outputs in light of more stringent environmental regulations with emission credit specialists who can assist such corporations in reducing their emissions and in earning and/or trading carbon credits. Our activities and plans in the carbon credit market are described in more detail below.

Over the next twelve months we intend to target corporations that are considered greenhouse gas polluters and which, if advised correctly, may make changes in their facilities to reduce the amount of greenhouse gas their facilities produce and thereby earn carbon credits. In order to achieve these goals, we will attempt to retain a qualified board of advisors and to attract a new member to our Board of Directors in order assist us in identifying and locating professionals who could implement such carbon credit reductions and polluters that will require such services.

We intend to attract a board of advisors by engaging a professional head hunting company. If we receive additional funding, we may seek to hire professional management for the Company.

Management continues to seek funding from its shareholders and other qualified investors to pursue our business plan. In the alternative, we may be amenable to a sale, merger or other acquisition in the event such transaction is deemed by management to be in the best interests of our shareholders.

### Results of Operations

#### Revenues

We had no revenues for the period from September 4, 2007 (date of inception) through June 30, 2011.





## Expenses

Our expenses for the three and six month period ended June 30, 2011 were \$28,772 and \$62,470 compared with \$5,834 and \$18,349 for the same three and six month period in 2010. Our expenses since our inception were \$227,293. These expenses were comprised primarily of professional fees and general and administrative expenses.

## Net Income (Loss)

Our net loss for the three and six month period ended June 30, 2011 were \$28,772 and \$62,470, compared with \$5,834 and \$18,349 for the same three and six month period in 2010. During the period from September 4, 2007 (date of inception) through June 30, 2011, we incurred a net loss of \$227,293. This loss consisted primarily of professional fees and administrative expenses. Since inception, we have sold 7,583,334 shares of common stock.

## Liquidity and Capital Resources

Our balance sheet as of June 30, 2011, reflects assets of \$30. Cash and cash equivalents from inception to date have been insufficient to provide the working capital necessary to operate to date.

We anticipate generating losses and, therefore, may be unable to continue operations in the future. If we require additional capital, we would have to issue debt or equity or enter into a strategic arrangement with a third party. There can be no assurance that additional capital will be available to us. As of June 30, 2011, loans from an individual who is a stockholder of the Company amounted to \$145,569. The loans were provided for working capital purposes, and are unsecured, non-interest bearing, and have no terms for repayment. We currently have no agreements, arrangements or understandings with any person to obtain additional funds through bank loans, lines of credit or any other sources.

## Going Concern Consideration

The financial statements contained herein for the fiscal quarter ended June 30, 2011, have been prepared on a “going concern” basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. For the reasons discussed herein and in the footnotes to our financial statements included herein, there is a significant risk that we will be unable to continue as a going concern. Our audited financial statements included in our Annual Report on Form 10-K for the period ended December 31, 2010, contain additional note disclosures describing the circumstances that lead to this disclosure by our registered independent auditors.

## Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

## Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There have been no material changes from the information provided in the Company’s Annual Report on Form 10-K for the year ended December 31, 2010.

## ITEM 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures. We maintain “disclosure controls and procedures,” as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded,

processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our disclosure controls and procedures have been designed to meet reasonable assurance standards. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on their evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

(b) Changes in internal control over financial reporting. There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) identified in connection with management's evaluation during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II

### Item 1. Legal Proceedings.

None.

### Item 6. Exhibits.

#### Exhibit

Number Exhibit Description

3.1 - Certificate of Incorporation.\*

3.2 - Bylaws.\*

31 - Rule 13a-14(a)/15d-14(a) Certification of Principal Executive and Financial Officer

32 - Section 1350 Certification of Principal Executive and Financial Officer

\* incorporated by reference from Registrant's Registration Statement on Form S-1 filed on April 16, 2008 Registration No. 333-150266.

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.

BNH INC.

By: /s/ Nehemya Hesin

Nehemya Hesin

Title: President, Treasurer and Director

(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

Dated: August 9, 2011

