

QUARTERLY REPORT



A Nevada Corporation

For First Quarter Ending
March 31, 2012

Item I **The exact name of the issuer and the address of its principal executive offices.**

iBrands Corporation
2406 Macy Drive
Roswell, GA 30076

Item II **Shares outstanding.**

Common Stock

We are authorized to issue 2,000,000,000 shares of common stock, par value \$0.001. As of the end of our First Quarter, March 31, 2012, we had 1,266,747,234 shares of common stock issued and outstanding, held by 438 shareholders. Of those 1,266,747,234 shares of common stock, 744,638,316 were free trading.

Preferred Stock

We are authorized to issue 10,000,000 shares of preferred stock, par value \$0.001, the rights, privileges, and preferences of which may be set by the Board of Directors without further shareholder approval.

As of the end of our First Quarter, March 31, 2012, we had 39,260 shares of Series A Convertible Preferred Stock issued or outstanding held by 47 shareholders (see Note 6 below) and 1,000,000 shares of Series B Convertible Preferred Stock issued or outstanding held by one shareholder (see Note 6 below).

Item III **Interim Financial Statements.**

Unaudited first quarter 2012 financial statements, prepared internally, on following page(s).

iBrands Corporation
Unaudited Consolidated Balance Sheet
As of March 31, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 9
Prepaid Expenses	<u>50,000</u>
TOTAL CURRENT ASSETS	50,009

OTHER ASSETS

Equipment	8,450
Deposits	408
Intangible Assets	528,750
Investments	<u>163,360</u>
TOTAL OTHER ASSETS	700,968

<i>TOTAL ASSETS</i>	<u>750,977</u>
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LIABILITIES & EQUITY (DEFICIT)

CURRENT LIABILITIES

Accrued Interest	64,143
Inter-Company Advances	2,713
Short Term Notes	<u>5,345</u>
TOTAL CURRENT LIABILITIES	72,201

LONG TERM LIABILITIES

Debenture	138,156
Notes Payable	<u>482,988</u>
TOTAL LONG TERM LIABILITIES	621,144

STOCKHOLDERS EQUITY (DEFICIT)

Series A Preferred Stock	392,600
Series B Preferred Stock	1,000
Common Stock	2,605,014
Retained earnings (deficit)	(2,897,442)
Net Income	<u>(43,540)</u>
TOTAL EQUITY (DEFICIT)	57,632

<i>TOTAL LIABILITIES & EQUITY</i>	<u>760,977</u>
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iBrands Corporation
Unaudited Consolidated Income Statement
As of March 31, 2012

INCOME

Revenue

TOTAL INCOME

\$0
0

EXPENSES

Bank Charges

Consulting Fees

Interest

Investor relations

Professional Fees

Transfer agent fees

TOTAL EXPENSES

75
30,000
11,490
350
1,000
625
43,540

NET INCOME (LOSS)

(43,540)

iBrands Corporation
Unaudited Consolidated Statement of Cash Flows
As of March 31, 2012

OPERATING ACTIVITIES

Net Income	(43,540)
Adjustments to reconcile net income to net cash provided by operations:	
Accrued Interest	<u>4,055</u>
Net cash provided by Operating Activities	(39,485)

FINANCING ACTIVITIES

Common Stock	7,435
Notes Payable	<u>32,055</u>
Net cash provided by Financing Activities	39,490

Net cash increase for period	5
Cash at beginning of period	<u>4</u>
Cash at end of period	<u>9</u>

iBrands Corporation
 Unaudited Consolidated Statement of
 Changes in Shareholder's Equity
 As of March 31, 2012

	<u>Common Shares</u>		<u>Preferred Shares</u>		<u>Accum. Deficit</u>	<u>Total Shareholder Equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>		
Balance, 1/01/2012 Unaudited	867,247,234	\$2,597,579	1,039,260	\$393,600	(2,853,902)	93,737
Conversion of Debt to Common Stock	399,500,000	7,435				7,435
Net loss for quarter ending March 31, 2012					(43,540)	(43,540)
Balance, 3/31/2012 Unaudited	1,266,747,234	2,605,014	1,039,260	393,600	(2,897,442)	57,632

iBrands Corporation
Unaudited Notes to Consolidated Financial Statements
As of March 31, 2012

NOTE 1 The Company and its Significant Accounting Policies

The company was organized in the state of Nevada on September 7, 1994. On January 22, 1998, a merger was effected between Kenneth C. Garcia, Inc. and the company. On March 2, 2000, the company exchanged shares with MAS Acquisition XIV Corp. ("MAS"), a reporting company under the Securities Exchange Act of 1934. As a result, the company became the parent company to MAS, its wholly-owned subsidiary. On July 6, 2000, Sterile-Pro, Inc. was merged into the company. On February 16, 2004, the company, for financial accounting purposes was acquired by Ragin' Ribs, Inc. in a transaction treated as a recapitalization of RRI. On December 6, 2005, the company voluntarily filed a Form 15 thereby delisting the company from OTCBB. On September 1, 2006, the company sold Ragin' Ribs to a third party and acquired Virtuoso Medspa, Inc. Subsequently, the company changed its name on August 1, 2006 to Medspas of America, Inc. On March 16, 2009, the Company changed its name to i Brands Corporation reflecting its acquisition of iMenu24/7 and I Software, Inc., companies that own and operate a proprietary Internet software platform providing online ordering for the restaurant industry.

The financial statements for March 31, 2012 are prepared internally by management and have neither been audited or reviewed by an outside accounting firm. The financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

In preparing these condensed consolidated financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheet and revenues and expenses during the period reported. Actual results may differ from these estimates.

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries. All significant inter-company balances and transactions within the Company have been eliminated upon consolidation.

The company records revenue when it is earned and measurable. In accordance with the SEC's Staff Accounting Bulletin No. 104, "*Revenue Recognition*", the Company recognizes revenue when persuasive evidence of an arrangement exists, transfer of title has occurred or services have been rendered, the selling price is fixed or determinable and collectability is reasonably assured.

Holdings of highly liquid investments with original maturities of three months or less and investment in money market funds are considered to be cash equivalents by the Company.

NOTE 2 Accounts Receivable

The company bills its clients for online ordering on a monthly basis.

NOTE 3 Other Assets

The company acquired certain assets of its online ordering system and as provided by the purchase agreements subsequently incorporated a wholly-owned subsidiary named iMenu24/7, Inc. and assigned these assets to iMenu24/7, Inc., a Nevada corporation. The company acquired 100% of the issued and outstanding stock of Richard Software Services, Inc. and subsequently changed its name to i Software, Inc.

Subsequently, all assets related to iMenu24/7 have been assigned to iSoftware, Inc. and iMenu24/7, Inc. has been dissolved.

NOTE 4 Accrued Interest

The company accrues interest at a rate of 8% annually regarding the Notes described in Note 5.

NOTE 5 Long Term Liabilities

The company entered into an 8% Series A Convertible Redeemable Debenture dated August 5, 2000 amended on July 31, 2005, amended on January 24, 2006 and amended on May 18, 2006. The company has been funded by certain entities who are shareholders. The company reflects this funding in the form of notes payable. The company has issued Convertible Notes, 8% simple interest, to Great Sky LLC in lieu of payment of consulting fees.

NOTE 6 Share Structure

Common Stock

We are authorized to issue 1,000,000,000 shares of common stock, par value \$0.001. As of the end of our 1st Quarter, March 31, 2012, we had 1,266,747,234 shares of common stock issued and outstanding, held by 438 shareholders. Of those 1,266,747,234 shares of common stock, 744,638,316 were free trading.

Preferred Stock

We are authorized to issue 10,000,000 shares of preferred stock, par value \$0.001, the rights, privileges, and preferences of which may be set by the Board of Directors without further shareholder approval.

As of the end of our 1st Quarter, March 31, 2012, we had 39,260 shares of Series A Convertible Preferred Stock issued or outstanding held by 47 shareholders. Series A Convertible Preferred Shares are convertible to common stock at a discount rate of 50% to then current market price with an 8% annual stock dividend. As of the end of our 1st Quarter, March 31, 2012, we had 1,000,000 shares of Series B Convertible Preferred Shares issued or outstanding held by one shareholder. Series B Convertible Preferred Shares are convertible to common stock on a one-for-one basis, with no dividends and have voting rights of 400 common shares for each preferred share.

Issuance

On January 3, 2012, we issued 86,000,000 shares of our common stock to one entity, pursuant to the conversion of a portion of a convertible debenture. The issuance was exempt from registration pursuant to Rule 144(d)(ii) of the Securities Act of 1933, as amended, and the shareholder was a sophisticated investor and familiar with our operations.

On February 16, 2012, we issued 95,000,000 shares of our common stock to one entity, pursuant to the conversion of a portion of a convertible debenture. The issuance was exempt from registration pursuant to Rule 144(d)(ii) of the Securities Act of 1933, as amended, and the shareholder was a sophisticated investor and familiar with our operations.

On March 12, 2012, we issued 104,500,000 shares of our common stock to one entity, pursuant to the conversion of a portion of a convertible debenture. The issuance was exempt from registration pursuant to Rule 144(d)(ii) of the Securities Act of 1933, as amended, and the shareholder was a sophisticated investor and familiar with our operations.

On March 28, 2012, we issued 114,000,000 shares of our common stock to one entity, pursuant to the conversion of a portion of a convertible debenture. The issuance was exempt from registration pursuant

to Rule 144(d)(ii) of the Securities Act of 1933, as amended, and the shareholder was a sophisticated investor and familiar with our operations.

Item IV Management's plan of operation.

A. Plan of Operation.

We are a company that acquires and develops brands that have identifiable niche markets and are operational with strong management. The company acquired iMenu24/7 and iSoftware in two separate transactions in October 2008. Following the acquisition, the company tested its software platform with sixty restaurants during the last two years. To date, over 1.5 million orders have been processed on the existing platform. The company has recognized the need to enhance the software whereby features relating to ease of use by the restaurant operator and streamlining of the billing component is necessary before further market development occurs. The estimated cost of these enhancements is \$200,000. The company is currently sourcing the required funding. Following the completion of this test, the Company decided not to continue any further testing until the aforementioned funds are obtained.

iMenu24/7 is the branded operations of an Internet-based, highly intuitive on-line ordering system for the restaurant industry. Our primary target is the restaurateur, whether they are a single unit owner or a multi-unit chain. The industry in North America has over 1.1 million restaurants generating \$600 Billion in annual revenues comprising of 40.6 billion meals ordered for off-premises ("take out" orders).

iSoftware, Inc. owns all of the proprietary software and intelligence for iMenu24/7's online ordering system. iSoftware has been organized to provide the Company economies of scale of Internet technology, programmers, web designers and related technical services as the Company grows through brand acquisition and development. iSoftware is preparing to upgrade the company's online ordering software prior to a national launch.

On December 13, 2010, iBrands entered into a Letter of Intent to acquire two new niche brands, named Galileo and Copernicus. Both brands operate in the consumer optics industry and provide quality telescopes, binoculars, and other optical products marketed to the consumer optics industry. Galileo is a 19-year old consumer optics brand that is distributed on a wholesale basis to large retailers, traditional and Internet-based. Copernicus is a high-quality consumer optics brand that is distributed directly to the end-user through the company's ecommerce website.

Subsequently, on April 1, 2011, iBrands entered into an agreement with Discipline Marketing, Inc. to acquire controlling interest in the brands, named Galileo and Copernicus. The agreement requires Discipline Marketing, inc. to establish a new wholly-owned company, called Galileo Optics, Inc. Discipline Marketing further agreed to contribute all of the assets pertaining to the operations of Galileo and Copernicus plus the assignment of one trade creditor on the amount of \$189,361 to Galileo Optics, Inc. iBrands agreed to acquire controlling interest in Galileo optics, Inc. through a Stock Purchase Agreement in the amount of \$500,000, said amount to be used for the future purchase of inventory for Galileo Optics, Inc. Additionally, Discipline Marketing will receive 70 million warrants of iBrands at a strike price of \$0.001 per share to be exercised 6-months from issuance and before 5-years of issuance, issuance being completion of the stock purchase. The agreement with Galileo Optics, Inc. has surpassed its deadline. It is the intention of the company, once funding has been closed, to obtain a new purchase agreement.

On March 16, 2012, the company entered into a Conditional Commitment Letter to fund iBrands. The total funding amount is \$10 million. The Conditional Commitment Letter requires the company to complete a comprehensive due diligence process that is acceptable to the funder. iBrands received an initial request for documents on March 28, 2012. There are no guarantees this funding will close.

The company will require additional funds to complete the acquisition of Galileo Optics, Inc. and accomplish its goals for the upcoming year.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Due to the completion of the company's test with iMenu24/7, the company did not generate revenues from its online ordering system during the first quarter of 2012. On March 16, 2012, the company entered into a Conditional Commitment Letter to fund iBrands. The total funding amount is \$10 million. The Conditional Commitment Letter requires the company to complete a comprehensive due diligence process that is acceptable to the funder. iBrands received an initial request for documents on March 28, 2012. There are no guarantees this funding will close. During this extensive due diligence period, the company continues to search for funding to implement its business plan and cover its deficit working capital.

Item V Legal Proceedings.

To the best of management's knowledge, there are no legal proceedings at this time.

Item VI Defaults upon senior securities.

To the best of management's knowledge, there are no defaults of senior securities at this time.

Item VII Other Information.

Non-applicable.

Item VIII Certifications.

CERTIFICATION

I, Paul Smith, certify that:

1. I have reviewed this disclosure statement of iBrands Corporation;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 31, 2012

"/s/Paul Smith"

Paul Smith
President