

HEMP, INC. AND SUBSIDIARIES
(Formerly Marijuana, Inc.)

ANNUAL REPORT FOR THE YEARS ENDED

DECEMBER 31, 2012 AND 2011

Hemp, Inc.
(Formerly Marijuana, Inc.)
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Hemp, Inc. and Subsidiaries
(Formerly Marijuana, Inc.)
Balance Sheets
(Unaudited)

	December 31, 2012	December 31, 2011
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,151	\$ 602
Securities held for sale	9,499	150,150
Inventory	5,600	12,375
Deposits	-	300
Total Current Assets	18,250	163,427
OTHER ASSETS		
Investment in 420 Café	5,000	5,000
Investment in Wild Herb	5,000	5,000
Investment in Red Rock Naturals	2,500	2,500
Kins investment	2,761	-
Leasehold improvements	2,500	2,500
LPO software	1,810,775	1,810,775
Tax tracking software	156,250	-
Social network software	382,000	382,000
Total Other Assets	2,366,786	2,207,775
TOTAL ASSETS	\$ 2,385,036	\$ 2,371,202
<u>LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT)</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,490	\$ 14,199
Due to B. Perloin	671,231	1,958,074
Due to D. Tobias	16,260	17,260
TOTAL CURRENT LIABILITIES	689,981	1,989,533
NON-CURRENT LIABILITIES		
Contingent disputed liability - JS	12,105	12,105
TOTAL LIABILITIES	702,086	2,001,638
STOCKHOLDERS' DEFICIT		
Preferred stock:		
500,000,000 shares authorized, \$0.00001 par value		
256,714,800 and 300,000,000 shares issued	2,567	3,000
Preferred K stock:		
250,000,000 shares authorized, \$0.00001 par value		
178,320,066 and -0- shares issued	1,783	-
Common stock:		
3,000,000,000 common shares, \$0.00001 par value		
1,076,960,576 and 732,498,722 shares issued	10,770	7,325
Additional paid-in capital	21,155,927	3,396,314
Other comprehensive income/(expense)	(354,406)	(362,353)
Retained earnings/(deficit)	(19,133,691)	(2,674,722)
Total Stockholders' Equity/(Deficit)	1,682,950	369,564
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 2,385,036	\$ 2,371,202

Hemp, Inc. and Subsidiaries
(Formerly Marijuana, Inc.)
Statements of Operations
(Unaudited)

	For the Year Ended December 31, 2012	For the Year Ended December 31, 2011
SALES	\$ 8,909	\$ 6,036
Cost of sales	8,275	-
GROSS MARGIN	634	6,036
OPERATING EXPENSES		
Compensation - stock based	15,864,405	699,369
Professional and consulting fees	201,546	56,985
Occupancy expenses	56,405	50,974
Travel	18,639	46,868
Advertising and promotion	54,595	29,566
General and administrative	380,587	25,924
Total Operating Expenses	16,576,177	909,686
NET LOSS FROM OPERATIONS	(16,575,543)	(903,650)
OTHER INCOME (EXPENSE)		
Gains on securities held for sale	116,574	22,100
(Losses) on securities held for sale	-	-
Total other income (expense)	116,574	22,100
NET LOSS BEFORE TAXES	(16,458,969)	(881,550)
Provision for income taxes	-	-
NET LOSS	\$ (16,458,969)	\$ (881,550)
PER SHARE DATA:		
Basic and diluted income (loss) per common share	\$ (0.02)	\$ (0.00)
Weighted average number of common shares outstanding	904,729,649	531,234,861

Hemp, Inc. and Subsidiaries
(Formerly Marijuana, Inc.)
Statement of Stockholders' Equity (Deficit)
(Unaudited)

	Preferred Stock		Preferred K Stock		Common Stock		Additional Paid-in Capital	Other Comprehensive Income/ (Expense)	Retained Earnings/ (Deficit)	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance - December 31, 2010	300,000,000	\$ 3,000	-	\$ -	329,971,000	\$ 3,300	\$ -	\$ -	\$ (1,793,172)	\$ (1,786,872)
Common stock issued for software development	-	-	-	-	25,000,000	250	381,750	-	-	382,000
Common stock issued for compensation	-	-	-	-	69,990,222	700	698,669	-	-	699,369
Common stock issued for MJNA shares	-	-	-	-	307,537,500	3,075	2,315,895	-	-	2,318,970
Other comprehensive income/(expense)	-	-	-	-	-	-	-	(362,353)	-	(362,353)
(Loss) for the year	-	-	-	-	-	-	-	-	(881,550)	(881,550)
Balance - December 31, 2011	300,000,000	\$ 3,000	-	\$ -	732,498,722	\$ 7,325	\$ 3,396,314	\$ (362,353)	\$ (2,674,722)	\$ 369,564
Common stock issued for services	-	-	-	-	4,600,000	46	67,254	-	-	67,300
Preferred K stock issued for debt	-	-	193,836,430	1,938	-	-	1,923,805	-	-	1,925,743
Preferred stock cancelled	(19,000,000)	(190)	-	-	-	-	190	-	-	-
Preferred stock cancelled	-	-	-	-	-	-	-	-	-	-
Preferred stock cancelled	-	-	-	-	-	-	-	-	-	-
Common stock issued for services	-	-	-	-	100,000,000	1,000	1,719,000	-	-	1,720,000
Preferred stock cancelled	(24,285,200)	(243)	-	-	-	-	243	-	-	-
Preferred K stock cancelled	-	-	(15,516,364)	(155)	-	-	155	-	-	-
Common stock issued for services	-	-	-	-	239,862,219	2,399	14,048,963	-	-	14,051,362
Other comprehensive income/(expense)	-	-	-	-	-	-	-	7,947	-	7,947
Reconciling Adjustment	-	-	-	-	(365)	-	-	-	-	-
(Loss) for the year	-	-	-	-	-	-	-	-	(16,458,969)	(16,458,969)
Balance - December 31, 2012	256,714,800	\$ 2,567	178,320,066	\$ 1,783	1,076,960,576	\$ 10,770	\$ 21,155,924	\$ (354,406)	\$ (19,133,691)	\$ 1,682,947

Hemp, Inc. and Subsidiaries
(Formerly Marijuana, Inc.)
Statements of Cash Flows
(Unaudited)

	For the Years Ended December 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (16,458,969)	\$ (881,550)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Issuance of common stock for services	15,154,377	699,369
Issuance of preferred stock for expenses	710,028	31,815
Changes in Operating Assets and Liabilities:		
Inventory	6,775	(6,430)
Prepaid fees and services	300	(300)
Accounts payable and accrued liabilities	(11,709)	4,199
Due to related parties	(1,000)	1,650,394
Net cash from operating activities	(600,198)	1,497,497
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in 420 Cafe	-	(5,000)
Investment in Wild Herb Naturals	-	(5,000)
Investment in Red Rock Naturals	-	(2,500)
Kins investment	(2,761)	-
Leasehold improvements	-	(2,500)
Tax tracking software	(156,250)	-
LPO software	-	(1,496,000)
Net cash from investing activities	(159,011)	(1,511,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contingent disputed note payable	-	12,105
Advances from related parties	761,758	-
Net cash from financing activities	761,758	12,105
NET CHANGE IN CASH	2,549	(1,398)
CASH AT BEGINNING OF PERIOD	602	2,000
CASH AT END OF PERIOD	\$ 3,151	\$ 602
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Preferred K shares issued for debt	\$ 1,925,743	\$ -
Common stock issued for securities held for sale	\$ -	\$ 2,318,970
Common stock issued for Social Network Software	\$ -	\$ 382,000

OTC Pink Disclosure Document

1) Name of the issuer and its predecessors (if any)

HEMP, INC., AUGUST 2012
MARIJUANA, INC., JULY 2010
PREACHERS COFFEE INC., JANUARY 2008

2) Address of the issuer's principal executive offices

Company Headquarters
Address 1: 8174 S. LAS VEGAS BLVD., #109-367
Address 2: LAS VEGAS, NV 89123
Phone: 877-221-8351
Email: INFO@MARIJUANAINC.TV
Website(s): WWW.HEMP.COM

IR Contact
Address 1: 8174 S. LAS VEGAS BLVD., #109-367
Address 2: LAS VEGAS, NV 89123
Phone: 877-221-8351
Email: INFO@MARIJUANAINC.TV
Website(s): WWW.HEMP.COM

3) Security Information

Trading Symbol: HEMP

Exact title and class of securities outstanding: COMMON
CUSIP: 423 703 10 7
Par or Stated Value: \$0.00001
Total shares authorized: 3,000,000,000 as of: 4/22/13
Total shares outstanding: 1,310,296,311 as of: 4/22/13

Preferred share information:

Exact title and class of securities outstanding: PREFERRED AND PREFERRED K
CUSIP: N/A
Par or Stated Value: \$0.00001 and \$0.00001 respectively
Total shares authorized: 500,000,000 and 250,000,000 respectively as of: 4/22/13
Total shares outstanding: 500,000,000 and 250,000,000 respectively as of: 4/22/13

Transfer Agent

Name MADISON STOCK TRANSFER INC.
Address 1: 1688 EAST 16TH ST
Address 2: BROOKLYN, NY 11229
Phone: 718-627-4453

Is the Transfer Agent registered under the Exchange Act?* Yes: No:

List any restrictions on the transfer of security:

RULE 144

Describe any trading suspension orders issued by the SEC in the past 12 months.

NONE

Within the past year please list any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization:

NONE

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

ISSUANCES FOR SERVICES AND DEBT

94,990,222 COMMON SHARES ISSUED FOR SERVICES IN 2011

307,537,500 COMMON SHARES ISSUED FOR SECURITIES HELD FOR SALE IN 2011

344,462,219 COMMON SHARES ISSUED FOR SERVICES IN 2012

193,836,430 PREFERRED K SHARES ISSUED FOR DEBT IN 2012; BRUCE PERLOWIN

OTHER CHANGES

43,285,200 PREFERRED SHARES CANCELLED IN 2012

15,516,364 PREFERRED K SHARES CANCELLED IN 2012

B. Any jurisdictions where the offering was registered or qualified;

N/A

C. The number of shares offered;

N/A

D. The number of shares sold;

N/A

E. The price at which the shares were offered, and the amount actually paid to the issuer;

N/A

F. The trading status of the shares; and

RESTRICTED

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

YES

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than ten percent (10%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of Stockholders' Equity (Deficit)
- D. Statement of cash flows;
- E. Financial notes;

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

- A. a description of the issuer's business operations;

PROVIDE LAWFUL PRODUCTS AND SERVICES TO THE MEDICAL MARIJUANA INDUSTRY AND TO PROVIDE OTC HEALTH PRODUCTS MADE FROM INDUSTRIAL HEMP

- B. Date and State (or Jurisdiction) of Incorporation:

JANUARY 16, 2008; COLORADO

- C. the issuer's primary and secondary SIC Codes;

7380

- D. the issuer's fiscal year end date;

DECEMBER 31

- E. principal products or services, and their markets;

PRODUCTS AND SERVICES FOR THE MEDICAL MARIJUANA INDUSTRY AND OVER THE COUNTER NATURAL HEALTH PRODUCTS MADE MANUFACTURED FROM INDUSTRIAL HEMP

7) Describe the Issuer's Facilities

THE ISSUER LEASES AN EXECUTIVE OFFICE SPACE ON A MONTH TO MONTH BASIS WHICH IS ADEQUATE FOR ITS CURRENT NEEDS

8) Officers, Directors, and Control Persons

- A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

BRUCE PERLOWIN, CEO/CFO/CHAIRMAN; DAVID TOBIAS, PRESIDENT; CRAIG PERLOWIN, SECRETARY; NEW COMPENDIUM CORP. (7%)

- B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

NONE

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

NONE

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

NONE

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

NONE

- C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

BRUCE PERLOWIN, CEO/CFO/CHAIRMAN (50%)

9) **Third Party Providers**

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

Name: N/A

Accountant or Auditor

Name: N/A

Investor Relations Consultant

Name: N/A

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: N/A

10) **Issuer Certification**

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, BRUCE PERLOWIN, CEO/CFO/CHAIRMAN certify that:

1. I have reviewed this ANNUAL REPORT of HEMP, INC.;

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.

4/22/13 [Date]

/S/ BRUCE PERLOWIN [CEO's Signature]

/S/ BRUCE PERLOWIN [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

CEO/CFO [Title]