CENUCO INC
Form 10QSB/A
April 09, 2003

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 10-QSB/A
AMENDMENT NO. 1

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal quarter ended: December 31, 2002
Commission file number: 033-25900

CENUCO, INC.
(FORMERLY VIRTUAL ACADEMICS.COM, INC.)

(Exact name of registrant as specified in its charter)

DELAWARE	75-2228820
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6421 CONGRESS AVENUE, SUITE 201
BOCA RATON, FLORIDA 33432

(Address of principal executive offices)
(Zip code)

(561) 994-4446

(Registrant's telephone number, including area code)

Indicate by check mark whether registrant (1) has 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 X No

APPLICABLE TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practical date:

On January 30, 2003, the issuer had outstanding 8,714,757 shares of common stock, $.001 par value per share.

CENUCO, INC. AND SUBSIDIARIES
(FORMERLY VIRTUAL ACADEMICS.COM, INC.)
FORM 10-QSB
QUARTERLY PERIOD ENDED DECEMBER 31, 2002
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CENUCO, INC. AND SUBSIDIARIES
(FORMERLY VIRTUAL ACADEMICS.COM, INC.)
CONSOLIDATED BALANCE SHEETS

ASSETS

	December 31, 2002 (Unaudited)	June 200
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 1,229,645	$ 1,529

Tuition Receivable (Net of Allowance for Doubtful Accounts of $150,000 and $152,000, respectively)	984,022	1,303
Accounts Receivable	53,330	28
Inventories	56,835	107
Prepaid Recruiting Fees	93,604	94
Other Current Assets	45,446	38
Total Current Assets	2,462,882	3,102
PROPERTY AND EQUIPMENT:		
Computer Equipment and Software	134,440	100
Furniture, Fixtures and Office Equipment	50,700	46
Leasehold Improvements	3,051	3
	188,191	150
Less: Accumulated Depreciation	(78,604)	(60
Total Property and Equipment	109,587	89
OTHER ASSETS:		
Tuition Receivable (Net of Allowance for Doubtful Accounts of $384,000 and $296,000, respectively)	1,227,994	1,040
Prepaid Recruiting Fees	15,314	15
Deferred Tax Asset	351,880	153
Security Deposits	8,642	8
Total Other Assets	1,603,830	1,217
Total Assets	$ 4,176,299	$ 4,410

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts Payable	$ 39,099	$ 31
Unearned Revenues	2,815,687	2,697
Accrued Recruiting Fees	67,540	95
Other Accrued Expenses	72,031	71
Total Current Liabilities	2,994,357	2,895
NON-CURRENT LIABILITIES:		
Unearned Revenues	480,671	430
Accrued Recruiting Fees	11,050	15
Total Non-Current Liabilities	491,721	445
Total Liabilities	3,486,078	3,340
STOCKHOLDERS' EQUITY:		
Preferred Stock ($.001 Par Value; 1,000,000 Shares Authorized)		

No Shares Issued and Outstanding)	-	
Common Stock ($.001 Par Value; 10,000,000 Shares Authorized; 8,714,757 and 8,701,467 Shares Issued and Outstanding at December 31, 2002 and June 30, 2002, respectively) ...	8,715	8
Additional Paid-in Capital	1,401,724	1,383
Accumulated Deficit	(720,218)	(322
Total Stockholders' Equity	690,221	1,069
Total Liabilities and Stockholders' Equity	$ 4,176,299	$ 4,410

See accompanying notes to consolidated financial statements

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CENUCO, INC. AND SUBSIDIARIES
(FORMERLY VIRTUAL ACADEMICS.COM, INC.)
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended December 31,		
	2002	2001	2
	(Unaudited)	(Unaudited)	(Unau
NET REVENUES	$ 480,914	$ 771,502	$ 9
COSTS AND EXPENSES:			
Cost of Equipment Sales	49,006	-	1
Instructional and Educational Support	32,806	28,787	
Research and Development	1,639	-	
Selling and Promotion	102,299	61,736	2
Salaries	232,029	210,365	4
General and Administrative	401,402	462,741	6
Total Operating Expenses	819,181	763,629	1,5
(LOSS) INCOME FROM OPERATIONS	(338,267)	7,873	(6
OTHER INCOME:			
Interest Income	4,703	10,493	
(LOSS) INCOME BEFORE INCOME TAXES	(333,564)	18,366	(5
INCOME TAX BENEFIT (EXPENSE):			
Deferred Income Tax	82,460	(5,216)	1
Total Income Tax Benefit (Expense)	82,460	(5,216)	1

NET (LOSS) INCOME	$ (251,104)	$ 13,150	$ (3
BASIC AND DILUTED:			
Net (Loss) Income Per Common Share - Basic .	$ (0.03)	$ 0.00	$
Net (Loss) Income Per Common Share - Diluted	$ (0.03)	$ 0.00	$
Weighted Common Shares Outstanding - Basic .	8,705,656	8,616,729	8,7
Weighted Common Shares Outstanding - Diluted	8,705,656	8,930,991	8,7

See accompanying notes to consolidated financial statements

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CENUCO, INC. AND SUBSIDIAIRES
(FORMERLY VIRTUAL ACADEMICS.COM, INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended December 31,	
	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (Loss) Income	$ (397,924)	$ 34,7
Adjustments to Reconcile Net (Loss) Income to Net Cash Flows Used in Operating Activities:		
Depreciation	17,985	13,4
Non-cash Compensation	18,474	30,0
Deferred Income Taxes	(198,724)	17,9
Provision for Doubtful Accounts	127,123	113,0
(Increase) Decrease in:		
Tuition Receivable	280,621	215,4
Accounts Receivable	(24,917)	
Inventories	50,458	
Prepaid Recruiting Fees	1,371	(21,1
Other Current Assets	(6,892)	(81,5
Other Assets:		
Tuition Receivable - Non-current	(275,029)	(643,1
Prepaid Recruiting Fees - Non-current	(249)	(8,5
Security Deposits	-	(2
Increase (Decrease) in:		
Accounts Payable	7,369	9
Unearned Revenues	118,625	51,4
Accrued Recruiting Fees	(27,952)	33,1
Other Accrued Expenses	738	58,2
Other Liabilities:		
Unearned Revenues - Non-current	50,631	54,6

Accrued Recruiting Fees - Non-current	(4,097)	(8
Net Cash Flows Used in Operating Activities	(262,389)	(132,3
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Property and Equipment	(37,817)	(21,9
Net Cash Flows Used in Investing Activities	(37,817)	(21,9
Net Decrease in Cash and Cash Equivalents	(300,206)	(154,2
Cash and Cash Equivalents - Beginning of Period	1,529,851	1,775,2
Cash and Cash Equivalents - End of Period	$ 1,229,645	$ 1,620,9
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ -	$
Income Taxes	$ -	$

See accompanying notes to consolidated financial statements

CENUCO, INC. AND SUBSIDIARIES
(Formerly Virtual Academics.com, Inc.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

Cenuco, Inc. (formerly Virtual Academics.com, Inc.) (the "Company") is engaged in the development and sale of wireless solutions and web services, which include the development of business-to-business and business-to-consumer wireless applications, and state of the art web technology and design services. Additionally, the Company is a distance learning company that provides Internet education to students throughout the world. The Company's businesses are primarily conducted under the names of Barrington University (the "School"), Virtual Academics.com, Cenuco and the Academy of Health Science and Nutrition (the "Academy"). Additionally, the Company established a wireless e-learning platform in the academic, consumer and corporate marketplaces.

On December 17, 2002, the Company changed its name to Cenuco, Inc. and symbol to CNUO. The Board of Directors of Virtual Academics.Com, Inc. recommended and the majority of the shareholders approved the change of its name to Cenuco, Inc. to better reflect its business direction and operation. Reflecting the changing focus of its business, the Company plans to accelerate the development of its suite of fully integrative wireless solutions for the Security, Real Estate and Insurance markets.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and pursuant to the rules and regulations of the

Securities and Exchange Commission ("SEC"). The accompanying consolidated financial statements for the interim periods are unaudited and reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position and operating results for the periods presented. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended June 30, 2002 and notes thereto contained in the Company's report on Form 10-KSB as filed with the SEC. The results of operations for the six months ended December 31, 2002 are not necessarily indicative of the results for the full fiscal year ending June 30, 2003.

Certain reclassifications have been made to the prior period's consolidated statements of operations to conform to the current period's presentation.

NOTE 2 - REVENUE RECOGNITION

The Company recognizes tuition and registration revenue based on the number of courses actually completed in each student's course of study. For example, if a student completes three out of his nine required courses, the Company will recognize 33% of the tuition regardless of the amount of time that the student has taken to fulfill these requirements.

In connection with the development and sale of wireless solutions and web services, which include the development of business-to-business and business-to-consumer wireless applications, and state of the art web technology and design services, the Company recognizes revenue as services are performed or on a pro rata basis over the contract term.

NOTE 2 - REVENUE RECOGNITION - Continued

Tuition refunds are based on the date that the student cancels and the policy is as follows: If the student withdraws within 5 calendar days after midnight of the day the student signs the Enrollment Agreement (Full Refund Period) the student will receive a full refund with no further obligation. If the student cancels after the Full Refund Period but before the school receives the first completed lesson, the student will be charged a registration fee of $150 and the student will receive a full refund less the registration fee charge. If the student cancels after the school receives the first completed lesson, the student's tuition obligation will be their registration fee plus a portion of the remaining tuition as defined below.

Percentage of Course Completed	Amount of Tuition Obligated
10% of less	10% of tuition
Between 11% - 25%	25% of tuition
Between 26% - 50%	50% of tuition
Over 50%	Obligated for full tuition.

When a student withdraws, we write off the remaining tuition receivable balance against the remaining unearned revenue balance and recorded a net increase or decrease to net revenues. Generally, the remaining tuition receivable balance is not materially different to the remaining unearned revenue balance for a respective student and accordingly, did not have a material effect on our consolidated results of operations.

NOTE 3 - STOCKHOLDERS' EQUITY

On August 29, 2002, the Company granted options to purchase 240,000 shares of common stock to certain employees of the Company. The options are exercisable at $.42 per share, which was the fair market value of the common stock at the grant date. Accordingly, under APB 25, no compensation expense was recognized.

On August 29, 2002, the Company granted options to purchase 20,000 shares of common stock to non-employee directors. The options expire on August 29, 2012 and are exercisable at $.42 per share, which was the fair market value of the common stock at the grant date. Accordingly, under APB 25, no compensation expense was recognized.

Had compensation cost for the stock option plan been determined based on the fair value of the options at the grant dates consistent with the method of SFAS 123, "Accounting for Stock Based Compensation", the Company's net earnings and earnings per share would have been changed to the pro forma amounts indicated below for the six months ended December 31, 2002:

Net earnings	
As reported	$ (397,924)
Pro forma	(484,244)
Basic earnings per share	
As reported	(.05)
Pro forma	(.06)

On December 3, 2002, the Company issued 13,290 shares of common stock to consultants for services rendered. Such shares were valued at their market value on the date of issuance at $1.39 per share and recorded consulting expense of $18,474 related to the consulting services.

NOTE 4 - SEGMENT INFORMATION

Currently, the Company operates in two reportable business segments - (1) the online distance learning industry and (2) the development and sales of wireless solutions and web services. The online distant learning segment provides internet education to students internationally. The latter segment includes development of business-to- business and business-to-consumer wireless applications, and state of the art web technology and design services. The Company's reportable segments are strategic business units that offer different products, which complement each other. They are managed separately based on the fundamental differences in their operations. During the six months ended December 31, 2001, operations from our wireless solutions segment were not material.

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CENUCO, INC. AND SUBSIDIARIES
(Formerly Virtual Academics.com, Inc.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 4 - SEGMENT INFORMATION (Continued)

Information with respect to these reportable business segments for the six and three months December 31, 2002 is as follows.

	For the Six Months Ended December 31, 2002		
	Online Distance Learning	Wireless Solutions	Consolidated Total
Net Sales	$ 652,172	$ 285,268	$ 937,440
Costs and Operating Expenses	(735,348)	(812,157)	(1,547,505)
Interest Income	8,990	4,427	13,417
Income Tax Benefit	26,172	172,552	198,724
Net Income (Loss)	$ (48,014)	$ (349,910)	$ (397,924)
Total Assets	$ 2,951,278	$ 1,225,021	$ 4,176,299

	For the Three Months Ended December 31, 2002		
	Online Distance Learning	Wireless Solutions	Consolidated Total
Net Sales	$ 371,553	$ 109,361	$ 480,914
Costs and Operating Expenses	410,010)	(409,171)	(819,181)
Interest Income	2,222	2,481	4,703
Income Tax Benefit	9,895	72,565	82,460
Net Income (Loss)	$ (26,340)	$ (224,764)	$ (251,104)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND RESULTS OF OPERATIONS

GENERAL

The following analysis of the results of operations and financial condition of the Company should be read in conjunction with the consolidated financial statements for the year ended June 30, 2002 and notes thereto contained in the Report on Form 10-KSB of Virtual Academics.com, Inc. as filed with the SEC. These financial statements reflect the consolidated operations of Cenuco, Inc. (formerly Virtual Academics.com, Inc.) for the three and six months ended December 31, 2002 and 2001, respectively.

This report on Form 10-QSB contains forward-looking statements. These statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward-looking terminology such as "may," "expect," "anticipate," "estimate" or "continue" or the negative thereof or other variations thereon or comparable terminology. The reader is cautioned that all forward-looking statements are necessarily speculative and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements. We do not have a policy of updating forward-looking statements and thus it should not be assumed that silence over time means that actual events are bearing out as we estimated in such forward-looking statements.

On December 11th, 2002, the Board of Directors of Virtual Academics.Com, Inc. recommended and approved the change of its name to Cenuco, Inc. to better reflect our business direction and operation. Effective December 17, 2002, a majority of our shareholders approved of the name change. Reflecting the changing focus of our business, we plan to accelerate the development of our suite of fully integrative wireless solutions for the Security, Real Estate and Insurance markets.

The change in name signifies the focus on our development of wireless applications, while maintaining our market presence in the distance- learning sector. We will continue to expand our online distance- learning programs, including the AIG Environmental Institute, the Innovation Institute, Barrington University and the Academy of Health Science and Nutrition.

The development and cultivation of wireless applications will now serve as the focal point for our initiatives. Already, the wireless subsidiary has produced viable solutions for the real estate and security markets. In addition, we launch our line of wireless video monitoring solutions, MommyTrack(TM) and CenVid(TM). Both products offer the world's first truly mobile surveillance monitoring solution for the consumer and business market.

Through our subsidiaries, we are engaged in the online distance learning business with a focus on the international, second-career adult and corporate training markets. We currently operate our main school, Barrington University, from Mobile, Alabama, where the State of Alabama Department of Education, Code of Alabama, Title 16-46-1 through 10, licenses the school. We offer degrees and training programs to students in over 80 countries and in multiple languages. The programs are "virtual" in their delivery format and can be completed from a laptop, home computer or through a wireless device.

In addition to degree completion programs, we are focusing on training corporate personnel, continuing education (CE) courses and wireless technology for education, which we believe is a major growth area.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND RESULTS OF OPERATIONS (Continued)

We are currently developing affordable wireless platforms to provide companies with quality training services for their employees. Our staff works directly with Human Resource departments to ensure the training is scalable and applicable to their employees' needs. Our technology provides seamless information to all employees, regardless if they are in the home, office or out in the field.

We have released other wireless application products that are currently being used in the Security, and Real Estate industries and are currently developing application products for the Insurance and Sports Information industries. The software applications are compatible with all existing wireless devices. We expect to release several academic and training solutions in fiscal 2003. Future applications include solutions for the medical and hospitality industries.

We have received full licensure from the Alabama Department of

Education for Barrington University, which is owned by Cenuco, Inc.

We have received full licensure from the Florida Department of Education for The Academy of Health Science and Nutrition, which is owned by Cenuco, Inc.

We have received full approval for Sallie Mae funding for our students that qualify for Sallie Mae loans. Sallie Mae has been providing funds for educational loans. Sallie Mae currently owns or manages student loans for more than seven million borrowers and is the nation's leading provider of educational loans.

We operate in two reportable business segments - (1) the online distance learning industry, and (2) the development and sales of wireless solutions and web services. The latter segment includes development of business-to-business and business-to-consumer wireless applications, and state of the art web technology and design services. Our reportable segments are strategic business units that offer different products, which complement each other. They are managed separately based on the fundamental differences in their operations and are discussed separately below.

SEASONALITY IN RESULTS OF OPERATIONS

We experience seasonality in our results of operations from our online distance learning segment primarily as a result of changes in the level of student enrollments and course completion. While we enroll students throughout the year, December and January average enrollments and course completion and related revenues generally are lower than other quarters due to seasonal breaks in December and January. Accordingly, costs and expenses historically increase as a percentage of tuition and other net revenues as a result of certain fixed costs not significantly affected by the seasonal second quarter declines in net revenues.

We experience a seasonal increase in new enrollments in August of each year when most other colleges and universities begin their fall semesters. As a result, instructional costs and services and selling and promotional expenses historically increase as a percentage of tuition and other net revenues in the fourth quarter due to increased costs in preparation for the August peak enrollments.

RESULTS OF OPERATIONS

SIX MONTHS ENDED DECEMBER 31, 2002 COMPARED TO SIX MONTHS ENDED DECEMBER 31, 2001

ONLINE DISTANCE LEARNING SEGMENT

REVENUES

For the six months ended December 31, 2002, we had a 58.2% decrease in earned revenues to $652,172 from $1,561,451 for the six months ended December 31, 2001. The decrease in revenues is due primarily to a decrease in the number of students that have registered for our programs. Additionally, our students completed their courses at a slower rate than expected. Unearned revenue represents the portion of tuition revenue invoiced but not earned and is reflected as a liability in the accompanying consolidated balance sheets. Since we will recognize tuition and registration revenue based on the number of courses actually completed in each student's course of study, student course completion efforts, if successful, are extremely beneficial to operating results. During the six months ended December 31, 2002, we experienced a general slowdown in course completion by our students, which had an adverse effect on our revenue.

EXPENSES

INSTRUCTION AND EDUCATIONAL SUPPORT

Instruction and educational support expenses consist primarily of student supplies such as textbooks as well as course development fees, credit card fees, computer related expenses, and printing fees. For the six months ended December 31, 2002, instructional and educational support expenses decreased by 68.5% to $52,874 or 8.1% of net revenues as compared to $168,055 or 11% of net revenues for the six months ended December 31, 2001. The decrease in instructional and educational support expenses and the related percentages was mainly attributable to the fact that we have enrolled less students in the current period and we are able to purchase text books from a new supplier at reduced prices. Accordingly, student supply expense was $12,745 or 2% of revenues for the six months ended December 31, 2002 as compared to $82,583 or 5.3% of revenue for the six months ended December 31, 2001. Printing and reproduction costs decreased to $15,631 for the six months ended December 31, 2002 as compared to $21,220 for the six months ended December 31, 2001. Computer and internet expenses decreased to $3,420 for the six months ended December 31, 2002 as compared to $46,396 for the six months ended December 31, 2001 due to a decreased need for development and maintenance of our websites related to our online university. This was offset by increased costs associated with course development for the six months ended December 31, 2002 of $8,292.

RESULTS OF OPERATIONS (CONTINUED)

SIX MONTHS ENDED DECEMBER 31, 2002 COMPARED TO SIX MONTHS ENDED DECEMBER 31, 2001

ONLINE DISTANCE LEARNING SEGMENT (CONTINUED)

SELLING AND PROMOTION

Selling and promotion expense consists primarily of recruiting fees, advertising and travel. For the six months ended December 31, 2002, selling and promotion expenses decreased by 53% to $91,776 or 14% of net revenues as compared to $194,634 or 12.5% of net revenues for the six months ended December 31, 2001. The decrease in selling and promotion expenses is attributable to the shift in our selling and promotion efforts to our wireless solutions segment. For the six months ended December 31, 2002, advertising expense amounted to $64,145 as compared to $67,689 for the six months ended December 31, 2001. Additionally, our recruiting fees decreased to $19,557 for six months ended December 31, 2002 from $105,233 for the six months ended December 31, 2001. The decrease is attributable to our decreased use of recruiters to obtain students and a general slow-down in new students. We are currently running advertisements in various national publications and newspapers in order to attract more students. We expect our advertising budget to remain constant through the end of fiscal 2003.

SALARIES

For the six months ended December 31, 2002, salaries were $145,527 as compared to salaries of $413,147 for the six months ended December 31, 2001. The decrease in salaries was attributable to the allocation of administrative and executive salaries to our wireless segment, which we have concentrated a significant part of our resources and efforts.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses, which includes professional fees, rent, travel and entertainment, insurance, bad debt, and other expenses, were $445,171 for the six months ended December 31, 2002 as compared to $766,564 for the six months ended December 31, 2001. This amounted to 68% of net revenues for the six months ended December 31, 2002 as compared to 49% for the six months ended December 31, 2001. The decrease was primarily due to the following factors:

The cost of professional fees decreased to $57,385 for the six months ended December 31, 2002 as compared to $186,228 for the six months ended December 31, 2001. During the six months ended December 31, 2001, we incurred additional costs associated with the filing of a registration statement with the Securities and Exchange Commission and incurred legal expenses in connection with the settlement of a lawsuit. Additionally, we experienced a decrease in postage and delivery and telephone expenses due to a decrease in student activity. Due to continuing analysis of our tuition receivables, we incurred bad debt expense of $253,524 for the six months ended December 31, 2002 as compared to $113,063 for the six months ended December 31, 2001. For the six months ended December 31, 2002 and 2001, bad debt expense included a charge to write-off of tuition receivables related to student's who withdrew but who has enrolled prior to September 30, 2000 when we recognized tuition and registration revenue evenly over an estimated 24-month instructional period.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND RESULTS OF OPERATIONS (Continued)

RESULTS OF OPERATIONS (CONTINUED)

SIX MONTHS ENDED DECEMBER 31, 2002 COMPARED TO SIX MONTHS ENDED DECEMBER 31, 2001

ONLINE DISTANCE LEARNING SEGMENT (CONTINUED)

INTEREST INCOME

Interest income was $8,990 for the six months ended December 31, 2002 as compared to $22,845 for the six months ended December 31, 2001. We currently invest our excess cash balances in primarily two interest-bearing accounts with two financial institutions.

WIRELESS AND WEB SOLUTIONS SEGMENT

Our wireless and web solutions subsidiary began operations in December 2001. Accordingly, comparable financial information is not material for the comparable period in fiscal 2001.

For the six months ended December 31, 2002, we had net revenues of

$285,268, which consisted of the following:

Equipment Sales	$ 157,194
Web Hosting and Development	29,213
Wireless Solutions	98,861
	$ 285,268

We incurred cost of sales related to the sale of equipment of $147,106.

We incurred research and development expenses from the development of our new products of $23,607.

Selling and promotion expenses amounted to $124,989, which included $5,119 in commission expense, $17,865 in advertising expense, $58,5347 of trade show expense, printing and reproduction expense of $14,635, travel expenses of $19,836, licensing fees of $20,418 and other expenses.

Salaries were $289,284 for the six months ended December 31, 2002. This reflected a growth in the number of employees during the six months ended December 31, 2002 as a result of the growth that we are experiencing and new development projects. We increased our technical staff to develop our wireless technologies.

For the six months ended December 31, 2002, we incurred $227,261 of general and administrative expenses, which included consulting expense of $36,000, computer and internet related expenses of $14,929, rent expense of $15,031, professional fees of $31,577 and other expenses.

Interest income was $4,427 for the six months ended December 31, 2002. We currently invest our excess cash balances in primarily two interest-bearing accounts with two financial institutions.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND RESULTS OF OPERATIONS (Continued)

OVERALL CONSOLIDATED RESULTS

INCOME TAXES

Deferred tax assets and liabilities are provided for significant income and expense items recognized in different years for tax and financial reporting purposes. As of December 31, 2002, we did not record a valuation allowance on the deferred tax assets because our ability to realize these benefits is "more likely than not". The deferred tax asset was reported in the accompanying balance sheet at December 31, 2002 and June 30, 2002. The deferred tax asset is sustained by the Company's ability to generate operating profits and should projected operating profits deteriorate then the deferred tax asset would be eliminated. We were able to utilize previous year's net operating losses to offset our income in fiscal year 2001. Accordingly, for the six months ended December 31, 2002 and 2001, we recorded an income tax benefit (expense) of $198,724 and $(17,902), respectively. We have projected substantial growth in revenues from our wireless products which we believe will generate an operating profit in fiscal 2004. In addition to revenues generated from the sale of our wireless products, we are anticipating monthly subscription revenues from internet hosting and related services related to our Mommy Track products. We are currently in negotiations with a major wireless equipment distributor and are anticipating a significant purchase order for our Mommy Track product. Additionally, we have had discussions with other potential customers that have shown interest in our products.

As a result of the foregoing factors, we recognized a net loss of $(397,924) or $(.05) per share on a consolidated basis for the six months ended December 31, 2002 as compared to net income of $34,751 or $.00 per share for the six months ended December 31, 2001.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2002, we had $1,229,645 in cash and equivalents on hand to meet our obligations.

During the six months ended December 31, 2002, we invested substantial time and resources developing and evaluating products and opportunities for our wireless solutions segment. We will continue to develop new wireless solutions for both of our segments and may consider acquisitions, business combinations, or start up proposals, which could be advantageous to our product lines or business plans. No assurance can be given that any such project, acquisition or combination will be successful.

Net cash used in operations was $262,389 for the six months ended December 31, 2002 as compared to net cash used in operations of $132,362 for the six months ended December 31, 2001. We used additional cash funds for salaries and expenses related to the development of our wireless security products. We feel that with expected positive cash flow, we are well capitalized to fund our operations over the ensuing 12-month period, including the expected growth during this period.

Net cash used in investing activities for the six months ended December 31, 2002 was $37,817 as compared to $21,912 for the six months ended December 31, 2001 and related to the acquisition of property and equipment.

We currently have no material commitments for capital expenditures. Our future growth is dependent on our ability to raise capital for expansion, and to seek additional revenue sources. If we decide to pursue any acquisition opportunities or other expansion opportunities, we may need to raise additional capital, although there can be no assurance such capital- raising activities would be successful.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND RESULTS OF OPERATIONS (Continued)

CRITICAL ACCOUNTING POLICIES

A summary of significant accounting policies is included in Note 1 to the audited financial statements included in our Annual Report on Form 10-KSB for the year ended June 30, 2002 as filed with the United States Securities and Exchange Commission. We believe that the application of these policies on a consistent basis enables us to provide useful and reliable financial information about our operating results and financial condition.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

We account for stock transactions in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees." In accordance with Statement of Financial Accounting Standards No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation," we adopted the pro forma disclosure requirements of SFAS 123.

RECENT ACCOUNTING PRONOUNCEMENTS

In August 2001, the FASB issued Statement No. 144 (SFAS 144) "Accounting for the Impairment or Disposal of Long-Lived Assets." This statement addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This statement supersedes Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of." SFAS 144 is effective for fiscal years beginning after December 15, 2001. The adoption of SFAS No. 144 did not have a material effect on our consolidated financial position or results of operations.

In November 2001, the FASB EITF reached a consensus to issue a FASB Staff Announcement Topic No. D-103 (re-characterized in January 2002 as EITF Issue No. 01-14), "Income Statement Characterization of Reimbursement Received for `Out-of-Pocket' Expenses Incurred" which clarifies that reimbursements received for out-of-pocket expenses incurred should be characterized as revenue in the statement of operations. This consensus should be applied in financial reporting periods beginning after December 15, 2001. Upon application of this consensus, comparative financial statements for prior periods should be reclassified to comply with the guidance in this consensus. The adoption of this consensus did not have a material effect on our consolidated financial position or results of operations.

In July 2002, the FASB issued Statement No. 146 (SFAS 146), "Accounting for Costs Associated with Exit or Disposal Activities." This Standard supercedes the accounting guidance provided by Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity" (including "Certain Costs Incurred in a Restructuring"). SFAS No. 146 requires companies to recognize costs associated with exit activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. SFAS No. 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. We are currently evaluating this Standard.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND RESULTS OF OPERATIONS (Continued)

RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In December 2002, the FASB issued Statement of Financial Accounting Standards No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure. Statement 148 provides alternative methods of transition to Statement 123's fair value method of accounting for stock-based employee compensation. It also amends the disclosure provisions of Statement 123 and APB Opinion No. 28, Interim Financial Reporting, to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. Statement 148's amendment of the transition and annual disclosure requirements of Statement's 123 are effective for fiscal years ending after December 15, 2002. Statement 148's amendment of the disclosure requirements of Opinion 28 is effective for interim periods beginning after December 15, 2002.

ITEM 3. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Our management, under the supervision and with the participation of our chief executive officer and principal financial and accounting officer, conducted an evaluation of our "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 (the "Exchange Act") Rules 13a-14(c)) within 90 days of the filing date of this Quarterly Report on Form 10-QSB (the "Evaluation Date"). Based on their evaluation, our chief executive officer and principal financial and accounting officer have concluded that as of the Evaluation Date, our disclosure controls and procedures are effective to ensure that all material information required to be filed in this Quarterly Report on Form 10-QSB has been made known to them in a timely fashion.

CHANGES IN INTERNAL CONTROLS

There have been no significant changes (including corrective actions with regard to significant deficiencies or material weaknesses) in our internal controls or in other factors that could significantly affect these controls subsequent to the Evaluation Date set forth above.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time the company faces litigation in the ordinary course of business. Currently we are not involved with any litigation which will have a material adverse effect on our financial condition.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

On December 3, 2002, we issued 13,290 shares of common stock to consultants for services rendered. Such shares were valued at their market value on the date of issuance at $1.39 per share and recorded consulting expense of $18,474 related to the consulting services.

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ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

In our 10-QSB for the period ended September, we reported that World Wide Net had signed a distribution contract obligating it to purchase $3.1 million of our MommyTrack(TM) and corporate monitoring systems. We do not expect to ship any product under this agreement due to non-performance by World Wide Net.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

99.1 Certification of CEO Pursuant to Section 906 of Sarbanes-Oxley Act of 2002 99.2 - Certification of CFO Pursuant to Section 906 of Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K

On January 2, 2003, we filed an 8-K that disclosed our name change to Cenuco, Inc.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, duly authorized.

CENUCO, INC. AND SUBSIDIARIES
(Formerly Virtual Academics.com, Inc.)

Dated: April 8, 2003 By: /s/ Steven Bettinger

Steven Bettinger, President and Chief Executive Officer

Dated: April 8, 2003 By: /s/ Robert Bettinger

Robert Bettinger, Chairman of the Board, Treasurer, Principal Financial and Accounting Officer

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CERTIFICATION

I, Steven Bettinger, the Chief Executive Officer of Cenuco, Inc. (formerly Virtual Academics.com, Inc.), certify that:

1. I have reviewed this quarterly report on Form 10-QSB/A of Cenuco, Inc.;

2. Based on my knowledge, this quarterly report 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 8, 2003 /s/ Steven Bettinger

Steven Bettinger, Chief Executive Officer

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CERTIFICATION

I, Robert Bettinger, Principal Financial and Accounting Officer of Cenuco, Inc. (formerly Virtual Academics.com, Inc.) certify that:

1. I have reviewed this quarterly report on Form 10-QSB/A of Cenuco, Inc.;

2. Based on my knowledge, this quarterly report 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our

most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: APril 8, 2003 /s/ Robert Bettinger

Robert Bettinger, Principal Financial and Accounting Officer