

METWOOD INC
Form 10-K
November 21, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended June 30, 2013

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from N/A to N/A

Commission File Number: **000-05391**

METWOOD, INC.

(Name of registrant as specified in its charter)

Nevada 83-0210365

(State or other jurisdiction IRS Employer Identification No. of incorporation or organization)

819 Naff Road Boones Mill, VA 24065

(Address of principal executive offices)

(540) 334-4294

(Issuer's telephone number)

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:

(Title of Class)

Common Stock, \$.001 Par Value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
£ Yes S No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. £ Yes S No

Indicate by check mark whether the 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 S 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). £ Yes S No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K ((§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.
S Yes £ No

Edgar Filing: METWOOD INC - Form 10-K

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer large accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller Reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of December 31, 2012, the last business day of the registrant’s most recently completed second fiscal quarter was approximately \$12,152,207.

Solely for purposes of the foregoing calculation, all of the registrant’s directors and officers as of June 30, 2013, are deemed to be affiliates. This determination of affiliate status for this purpose does not reflect a determination that any persons are affiliates for any other purposes.

State the number of shares outstanding of each of the issuer’s classes of equity securities, as of the latest practicable date: As at November 13, 2013, there were 15,221,647 shares of Common Stock, \$0.001 par value per share issued and outstanding and no shares of Preferred Stock issued and outstanding.

Documents Incorporated By Reference -None

(1)

Table of Contents**Metwood, Inc.****FORM 10-K ANNUAL REPORT****FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012****TABLE OF CONTENTS**

| | Page # |
|--|-------------------|
| PART I | |
| ITEM 1. BUSINESS | 4 |
| ITEM 1A. RISK FACTORS | 6 |
| ITEM 1B. UNRESOLVED STAFF COMMENTS | 6 |
| ITEM 2. PROPERTIES | 8 |
| ITEM 3. LEGAL PROCEEDINGS | 8 |
| PART II | |
| ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES | 9 |
| ITEM 6. SELECTED FINANCIAL DATA | 9 |
| ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS | 10 |
| ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK | 10 |
| ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA | 10 |
| ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE | 19 |
| ITEM 9A. CONTROLS AND PROCEDURES | 19 |
| ITEM 9B. OTHER INFORMATION | 19 |
| PART III | |
| ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE. | 20 |
| ITEM 11. EXECUTIVE COMPENSATION | 20 |
| ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS | 21 |
| ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE | 21 |
| ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES | 22 |
| PART IV | |
| ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES | 23 |
| SIGNATURES | 24 |
| CERTIFICATIONS | |
| Exhibit 31 Management certification | 23 |
| Exhibit 32 Sarbanes-Oxley Act | 23 |

(2)

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA") regarding management's plans and objectives for future operations including plans and objectives relating to our planned marketing efforts and future economic performance. The forward-looking statements and associated risks set forth in this Annual Report include or relate to, among other things, (a) our growth strategies, (b) anticipated trends in the construction industry, (c) our ability to obtain and retain sufficient capital for future operations, and (d) our anticipated needs for working capital. These statements may be found under "Management's Discussion and Analysis of Financial Condition and Results of Operations". Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under "Risk Factors". In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this report will in fact occur.

The forward-looking statements herein are based on current expectations that involve a number of risks and uncertainties. Such forward-looking statements are based on assumptions described herein. The assumptions are based on judgments with respect to, among other things, future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Accordingly, although we believe that the assumptions underlying the forward-looking statements are reasonable, any such assumption could prove to be inaccurate and therefore there can be no assurance that the results contemplated in forward-looking statements will be realized. In addition, as disclosed in "Risk Factors", there are a number of other risks inherent in our business and operations, which could cause our operating results to vary markedly, and adversely from prior results or the results contemplated by the forward-looking statements. Management decisions, including budgeting, are subjective in many respects and periodic revisions must be made to reflect actual conditions and business developments, the impact of which may cause us to alter marketing, capital investment and other expenditures, which may also materially adversely affect our results of operations. In light of significant uncertainties inherent in the forward-looking information included in the report statement, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives or plans will be achieved.

Any statement in this report that is not a statement of an historical fact constitutes a "forward-looking statement". Further, when we use the words "may", "expect", "anticipate", "plan", "believe", "seek", "estimate", "internal", and similar words, we intend to identify statements and expressions that may be forward-looking statements. We believe it is important to communicate certain of our expectations to our investors. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions that could cause our future results to differ materially from those expressed in any forward-looking statements. Many factors are beyond our ability to control or predict. You are accordingly cautioned not to place undue reliance on such forward-looking statements. Important factors that may cause our actual results to differ from such forward-looking statements include, but are not limited to, the risks outlined under "Risk Factors" herein. The reader is cautioned that our

Company does not have a policy of updating or revising forward-looking statements and thus the reader should not assume that silence by management of our Company over time means that actual events are bearing out as estimated in such forward-looking statements.

(3)

Table of Contents

PART I

ITEM 1. Description of Business

The Company was incorporated under the laws of the State of Wyoming on June 19, 1969. On January 28, 2000, the Company, through a majority shareholder vote, changed its domicile to Nevada through a merger with EMC Energies, Inc., a Nevada corporation. The Plan of Merger provided for the dissenting shareholders to be paid the amount, if any, to which they would be entitled under the Wyoming Corporation Statutes with respect to the rights of dissenting shareholders. The Company also changed its par value to \$.001 and the amount of authorized common stock to 100,000,000 shares.

Prior to 1990, the Company was engaged in the business of exploring for and producing oil and gas in the Rocky Mountain and mid-continental areas of the United States. The company liquidated substantially all of its assets in 1990 and was dormant until June 30, 2000, when it acquired, in a stock-for-stock, tax-free exchange, all of the outstanding common stock of a privately held Virginia corporation, Metwood, Inc. ("Metwood"), which was incorporated in 1993. Metwood has been in the metal and metal/wood construction materials manufacturing business since 1992. Following the acquisition, the Company approved a name change from EMC Energies, Inc. to Metwood, Inc.

Effective January 1, 2002, Metwood acquired certain assets of Providence Engineering, PC ("Providence"), a professional engineering firm with customers in the same proximity as Metwood, for \$350,000 and accounted for the transaction under the purchase method of accounting. As of June 30, 2012, Providence was no longer an operating segment of the Company. A decision was made that the majority of the engineering portion of the business could best be handled through a strategic partnership with an outside engineering firm. We believe that continuing research and development efforts will soon enable us to meet code requirements for our products and will eliminate the need for individual engineering seals.

Metwood ("Metwood", "the Company," "We," "Us," "Our") provides construction-related products and engineering services to residential customers and contractors, commercial contractors, developers and retail enterprises, primarily in southwestern Virginia.

Our principal and administrative offices are located at 819 Naff Road, Boones Mill, Virginia 24065. Our telephone number is 540-334-4294.

Principal Products or Services and Markets

Residential builders are aware of the superiority of steel framing vs. wood framing, insofar as steel framing is lighter; stronger; termite, pest, rot and fire resistant; and dimensionally more stable in withstanding induced loads. Although use of steel framing in residential construction has generally increased each year since 1980, many residential builders have been hesitant to utilize steel due to the need to retrain framers and subcontractors who are accustomed to a "stick-built" construction method where components are laid out and assembled with nails and screws. The Company's founders saw the need to combine the strength and durability of steel with the convenience and familiarity

of wood and wood fasteners.

Metwood manufactures light-gage steel construction materials, usually combined with wood or wood fasteners, for use in residential and commercial applications in place of more conventional wood products, which are inferior in terms of strength and durability. The steel and steel/wood products allow structures to be built with increased load strength and structural integrity and fewer support beams or support configurations, thereby allowing for structural designs that are not possible with wood-only products.

Products

We design, develop, manufacture, market, sell, and support a wide range of products and services. Our primary products are:

- TUFF BEAM -Internally reinforced Cold Formed Steel beam
- TUFF JOIST – Cold Formed Steel floor joist system
- TUFF JOIST+ - Internally reinforced cold-formed steel joist
- TUFF FLOOR SYSTEM - Combinations of TUFF BEAM, TUFF JOIST and TUFF JOIST+ are utilized to make up a complete floor system
- TUFFDECK - Concrete deck systems
- RIMBEAM - Internally reinforced CFS load distribution member
- TUFF FRAME 3.5 & 5.5 - A fully proprietary panelized load bearing and non-load bearing CFS wall framing solution
- TUFF TRUSS - A proprietary roof and floor truss system
- Aegis - Metwood is a distributor of Aegis Metal Framing's cold-formed steel trusses Sure-Span[™]
- Trimmable square columns
- Joist reinforcers
- Engineering, design and custom building services

Services

Our primary services are:

Metwood is performing ongoing product research and development. Through a strategic partnership with an outside engineering firm, Metwood is able to offer its customers civil engineering capabilities which include rezoning and special use submissions; erosion and sediment control and storm-water management design; residential, commercial, and religious facility site development design; and utility design, including water, sewer and onsite treatment systems.

We also perform a variety of structural design and analysis work, successfully providing solutions for many projects, including retaining walls, residential framing, commercial building framing, light-gage steel fabrication drawings, metal building retrofits and additions, mezzanines, and seismic anchors and restraints.

The Company has designed numerous foundations for a variety of structures. Our foundation design expertise includes metal building foundations, traditional building construction foundations, atypical foundations for residential structures, tower foundations, and sign foundations for a variety of uses and applications.

We have also designed and drafted full building plans for several applications. When subcontracting for local companies, we have the ability, in partnership with our outside engineering firm, to provide basic architectural, mechanical, electrical, and detailed civil and structural design services for these facilities.

We have reviewed designs by manufacturers for a variety of structures and structural components, including retaining walls, radio towers, tower foundations, sign foundations, timber trusses, light-gage steel trusses, and light-gage steel beams. This service enables clients to take generic designs and have them certified and approved for construction in the desired locality.

(4)

Table of Contents

Distribution Methods of Products and Services

Our sales are primarily wholesale, directly to lumberyards, home improvement stores, hardware stores, and plumbing and electrical suppliers in Virginia and North Carolina. Metwood relies primarily on its own sales force to generate sales; additionally, however, the Company has distributors in Virginia, New York, Oklahoma, Arizona and Colorado and also utilizes the salespeople of wholesale yards stocking the Company's products as an additional sales force.

We are an authorized vendor for Lowe's, Home Depot, 84 Lumber, Stock Building Supply, ProBuild, and many more. We have several stocking dealers of our square columns and reinforcing products. We will sell directly to contractors in areas where we do not have a dealer, but with our national dealer relationships, we typically have a dealer to use.

Future Outlook

Metwood intends to continue expanding the wholesale marketing of its unique products to retailers, to increase dealer sales, and to license the Company's technology and products to increase its distribution outside of Virginia, North Carolina and the South.

New Products and Services

Metwood has become a fabricator of the Aegis steel truss system and is a supplier of their products to both residential and commercial customers.

Seasonality of Market

Our sales are subject to seasonal impacts, as our products are used in residential and commercial construction projects which tend to be at peak levels in Virginia and North Carolina between the months of March and October. Accordingly, our sales are typically greater in our fourth and first fiscal quarters. We build an inventory of our products throughout the winter and spring to support our sales season. Due to the seasonality of our local market, we are continuing our efforts to expand into markets that are not so seasonally impacted. We have shipped projects to Florida, Georgia, South Carolina, Arizona, Washington, and more. These markets have some seasonality, but increased exposure in these markets will help maintain stronger sales year round.

Competition

Nationally, there are over one hundred manufacturers of the types of products produced by the Company. However, the majority of these manufacturers are using wood-only products or products without metal reinforcement. Metwood has identified only one other manufacturer in the United States that manufactures a wood-metal floor truss similar to ours. However, we have often found that our products are the only ones that will work within many customers' design specs.

Sources and Availability of Raw Materials

All of the raw materials we use are readily available on the market from numerous suppliers. Because of the number of suppliers available to us, our decisions in purchasing materials are dictated primarily by price and secondarily by availability. We do not anticipate a lack of supply to affect our production; however, a shortage might cause us to pass on higher materials prices to our buyers.

Principal Suppliers

The Cold Formed Steel materials used by the company are supplied primarily by Telling Industries, New Millenium, Allied Tube & Conduit, and Vulcraft. Our main source of lumber is BlueLinx. Adelpia Metals, Re-Steel, Nucor and Gerdau Amersteel provide the majority of our rebar.

Major Customers and Percentage of Sales

For the fiscal years ending June 30, 2013 and 2012, no customer accounted for 10% or more of our total sales.

Patents

At June 30, 2013, we held a portfolio of nine (9) U.S. patents that included the following:

Edgar Filing: METWOOD INC - Form 10-K

U.S. Patent Nos. 5,519,977 and 7,347,031, "Joist Reinforcing Bracket," a bracket that reinforces wooden joists with a hole for the passage of a utility conduit. The Company refers to this as its floor joist patch kit.

U.S. Patent No. 5,625,997, "Composite Beam," a composite beam that includes an elongated metal shell and a pierceable insert for receiving nails, screws or other penetrating fasteners.

U.S. Patent No. 5,832,691, a continuation in part of U.S. Patent No. 5,625,997, "Composite Beam," a composite beam that includes an elongated metal shell and a pierceable insert for receiving nails, screws or other penetrating fasteners.

U.S. Patent No. 5,921,053, "Internally Reinforced Girder with Pierceable Nonmetal Components," a girder that includes a pair of "c"-shaped members secured together so as to form a hollow box which permits the girder to be secured within a building structure with conventional fasteners such as nails, screws and staples.

U.S. Patent Nos. D472,791S; D472,792S; D472,793S; and D477,210S, all modifications of Metwood's Joist Reinforcing Bracket, which will be used for repairs of wood I-joists.

Each of the above indicated patents were originally issued to the inventors and Company founders, Robert Callahan and Ronald B. Shiflett, who licensed these patents to the Company.

Need for Government Approval of Principal Products

Our products must either be sold with an engineer's seal or applicable building code approval. Currently, we are seeking International Code Council ("ICC") code approval on our TUFFBEAMS. Once that approval is obtained, our products can be used in all fifty states, which will eliminate the need for an engineer's seal on individual products. To date, the Company's 2x10 floor joist reinforcer has received both Bureau Officials Code Association approval (2001) and ICC approval (2004).

Sustainability and Effects of Compliance with Environmental Laws

Environmental stewardship and social responsibility are both integral parts of how we manage our business, and complement our focus on business efficiencies and customer satisfaction. We do not incur any costs to comply with environmental laws. We are an environmentally friendly business in that our products are fabricated from recycled steel.

Employees

As of the end of the fiscal year ending June 30, 2013, the Company had 14 employees. Each management hire has been carefully selected to address immediate needs in particular functional areas, but also with consideration of the Company's future needs during a period of expected rapid growth and expansion. Value is placed not only on outstanding credentials in specific areas of functional expertise, but also on cross-functionality, collegiality, a strong knowledge of content acquisition and distribution, along with hands-on experience in scaling operations from initial beta and development stage through successful commercial deployment. We believe that the relationship with our employees is excellent. We regularly use independent consultants and outside contractors to perform various professional services, particularly in the areas of engineering, field, on-site production services, and certain accounting functions.

Executive Officers of Metwood Inc.

Our executive officers are appointed by, and serve at the pleasure of, our Board of Directors. Set forth below is biographical information about each of the persons who were serving as our executive officers as of June 30, 2013:

Robert M. Callahan - President and Chief Executive Officer

Mr. Callahan has been involved in the building industry for over thirty years. He is well recognized in southwestern Virginia as an innovator in the uses of passive solar design and wood/metal products in custom home building. Along with Mr. Ronald Shiflett, he formed Metwood, Inc. in 1993 to bring light-gage construction, used in commercial building for years, into common use in residential construction.

Shawn A. Callahan – Vice President and Chief Financial Officer

Since starting with Metwood, Inc., in May 1996, Mr. Callahan has played a major role in the restructuring of the Company, increasing production, improving efficiency, and developing computer aids for the Company.

Shawn received a B.S. in Computer Science and Mathematics from the Virginia Military Institute, and a MBA in Accounting from the University of Phoenix.

(5)

Table of Contents

ITEM 1A - Risk Factors

Our business is subject to a variety of risks and uncertainties, including, but not limited to, the risks and uncertainties described below. If any of the risks described below, or elsewhere in this report on Form 10-K, or our Company's other filings with the Securities and Exchange Commission (the "SEC"), were to occur, our financial condition and results of operations could suffer and the trading price of our common stock could decline. Additionally, if other risks not presently known to us, or that we do not currently believe to be significant, occur or become significant, our financial condition and results of operations could suffer and the trading price of our common stock could decline.

You should carefully review the risk factors together with all other information contained in this Annual Report on Form 10-K, and in prior reports pursuant to the Securities Exchange Act of 1934, as amended and the Securities Act of 1933, as amended. Our risk factors, including but not limited to the risk factors listed below, are as follows:

SHOULD ONE OR MORE OF THE FOREGOING RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD THE UNDERLYING ASSUMPTIONS OF OUR BUSINESS PROVE INCORRECT, ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THOSE ANTICIPATED, BELIEVED, ESTIMATED, EXPECTED, INTENDED OR PLANNED.

Changing economic conditions could materially adversely affect us - Our operations and performance depend significantly on regional and national economic conditions and their impact on levels of spending by our customers and end users. Currently, those economic conditions have deteriorated and may remain depressed for the foreseeable future. These changing economic conditions could have a material adverse effect on demand for our products and on our financial condition and operating results.

Current volatility and disruption in the capital and credit markets may continue to exert downward pressure on our stock price - The capital and credit markets have been experiencing extreme volatility and disruption over the past year. Stock markets in general, and our stock price in particular, have experienced significant volatility over the past year. Our stock recently traded at historic lows. In the future, there can be no assurance that price volatility in the stock markets in general will abate or that our stock price in particular will rise. Additionally, the volatility in the credit markets could impact our ability to access new financing.

We have a history of operating losses and may incur future losses. We incurred net losses of \$61,291 for the fiscal year ended June 30, 2013 and \$354,919 for the year ended June 30, 2012. Our ability to generate significant revenues and maintain profitability is dependent in large part on our ability to expand our customer base; increase sales of our products to existing customers; manage our expense growth; enter into additional supply, license and collaborative arrangements; and successfully manufacture and commercialize products incorporating our technologies in new

applications and in new markets.

Our common shares have been subject to penny stock regulation in the United States of America. Our common shares have been subject to the provisions of Section 15(g) and Rule 15g-9 of the (US) Securities Exchange Act of 1934, as amended (the “Exchange Act”), commonly referred to as the “penny stock” rule. Section 15(g) sets forth certain requirements for transactions in penny stocks and Rule 15g-9(d)(1) incorporates the definition of penny stock as that used in Rule 3a51-1 of the Exchange Act. The Commission generally defines penny stock to be any equity security that has a market price less than US\$5.00 per share, subject to certain exceptions. Rule 3a51-1 provides that any equity security is considered to be penny stock unless that security is: registered and traded on a national securities exchange meeting specified criteria set by the Commission; issued by a registered investment company; excluded from the definition on the basis of price (at least US\$5.00 per share) or the registrant’s net tangible assets; or exempted from the definition by the Commission. If our common shares are deemed to be “penny stock”, trading in common shares will be subject to additional sales practice requirements on broker/dealers who sell penny stock to persons other than established customers and accredited investors.

Financial Industry Regulatory Authority, Inc. (“FINRA”) sales practice requirements may limit a shareholder’s ability to buy and sell our common shares. In addition to the “penny stock” rules described above, FINRA has adopted rules that require that in recommending an investment to a client, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that client. Prior to recommending speculative low priced securities to their non-institutional clients, broker-dealers must make reasonable efforts to obtain information about the client’s financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some clients. FINRA requirements make it more difficult for broker-dealers to recommend that their clients buy our common shares, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

As a public company we are subject to complex legal and accounting requirements that will require us to incur significant expenses and will expose us to risk of non-compliance. As a public company, we are subject to numerous legal and accounting requirements in both Canada and the United States of America that do not apply to private companies. The cost of compliance with many of these requirements is material, not only in absolute terms but, more importantly, in relation to the overall scope of the operations of a small company. Our relative inexperience with these requirements may increase the cost of compliance and may also increase the risk that we will fail to comply. Failure to comply with these requirements can have numerous adverse consequences including, but not limited to, our inability to file required periodic reports on a timely basis, loss of market confidence, delisting of our securities and/or governmental or private actions against us. We cannot assure you that we will be able to comply with all of these requirements or that the cost of such compliance will not prove to be a substantial competitive disadvantage vis-à-vis privately held and larger public competitors.

Compliance with changing regulation of corporate governance and public disclosure will result in additional expenses and pose challenges for our management. Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated thereunder, the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S.

public markets. Our management team needs to devote significant time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

Because we are quoted on the OTC pink Sheets instead of a national securities exchange, our investors may have more difficulty selling their stock or experience negative volatility on the market price of our stock in the United States. Our common shares are quoted on the OTC Pink Sheets. The OTC Pink Sheets is marketed as an electronic exchange for high growth and early stage companies. Trades are settled and cleared in a manner similar to any NASDAQ or NYSE stock and trade reports are disseminated through Yahoo, Bloomberg, Reuters, and most other financial data providers. The OTC Pink Sheets can be significantly illiquid, in part because it does not have a national quotation system by which potential investors can follow the market price of shares except through information received and generated by a limited number of broker-dealers that make markets in particular stocks. There is a greater chance of volatility for securities that trade on the OTC Pink Sheets as compared to a national securities exchange, such as the New York Stock Exchange, the NASDAQ Stock Market or the NYSE Amex. This volatility may be caused by a variety of factors, including the lack of readily available price quotations, the absence of consistent administrative supervision of bid and ask quotations, lower trading volume, and market conditions. Investors in our common shares may experience high fluctuations in the market price and volume of the trading market for our securities. These fluctuations, when they occur, have a negative effect on the market price for our common shares. Accordingly, our shareholders may not be able to realize a fair price from their shares when they determine to sell them or may have to hold them for a substantial period of time until the market for our common shares improves.

The price at which you purchase our common shares may not be indicative of the price that will prevail in the trading market. You may be unable to sell your common shares at or above your purchase price, which may result in substantial losses to you. The market price for our common shares is particularly volatile given our status as a relatively unknown company with a small and thinly traded public float, limited operating history and lack of profits which could lead to wide fluctuations in our share price.

The market for our common shares is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer. The volatility in our share price is attributable to a number of factors. First our common shares, at times, are thinly traded. As a consequence of this lack of liquidity, the trading of relatively small quantities of shares by our shareholders may disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously in the event that a large number of our common shares are sold on the market without commensurate demand, as compared to a seasoned issuer which could better absorb those sales without adverse impact on its share price. Second, we are a speculative or “risky” investment due to our limited operating history, lack of profits to date and uncertainty of future market acceptance for our potential products. As a consequence, more risk-averse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer. Many of these factors are beyond our control and may decrease the market price of our common shares, regardless of our performance. We cannot make any predictions as to what the prevailing market price for our common shares will be at any time or as to what affect that the sale of shares or the availability of common shares for sale at any time will have on the prevailing market price.

Shareholders should be aware that, according to SEC Release No. 34-29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; boiler room practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; excessive and undisclosed bid-ask differential and markups by selling broker-dealers; and the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the resulting inevitable collapse of those prices and with consequent investor losses. Our management is aware of the abuses that have occurred historically in the penny stock market. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, management will strive within the confines of practical limitations to prevent the described patterns from being established with respect to our securities. The occurrence of these patterns or practices could increase the volatility of our share price.

(6)

Table of Contents

Volatility in our common share price may subject us to securities litigation, thereby diverting our resources that may have a material effect on our profitability and results of operations. The market for our common shares is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may in the future be the target of similar litigation. This type of litigation could result in substantial costs and could divert management's attention and resources.

Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") could have a material adverse effect on our business and our operating results. If we fail to comply with the requirements of Section 404 of the Sarbanes-Oxley Act regarding internal control over financial reporting or to remedy any material weaknesses in our internal controls that we may identify, such failure could result in material misstatements in our financial statements, cause investors to lose confidence in our reported financial information and have a negative effect on the trading price of our common shares.

Pursuant to Section 404 of the Sarbanes-Oxley Act and current SEC regulations, we are required to prepare assessments regarding internal controls over financial reporting. In connection with our on-going assessment of the effectiveness of our internal control over financial reporting, we may discover "material weaknesses" in our internal controls as defined in standards established by the Public Company Accounting Oversight Board, or the PCAOB. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. The PCAOB defines "significant deficiency" as a deficiency that results in more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected.

In the event that a material weakness is identified, as it has been for this report, subject to expansion of the size of our Company and our finance department, we will employ qualified personnel and adopt and implement policies and procedures to address any material weaknesses that we identify. However, the process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. We cannot assure you that the measures we will take will remediate any material weaknesses that we may identify or that we will implement and maintain adequate controls over our financial process and reporting in the future.

Any failure to complete our assessment of our internal control over financial reporting, to remediate any material weaknesses that we may identify or to implement new controls, or difficulties encountered in their implementation, could harm our operating results, cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements. Any such failure could adversely affect the results of the management evaluations of our internal controls. Inadequate internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common shares.

We do not intend to pay dividends. We do not anticipate paying cash dividends on our common shares in the foreseeable future. We may not have sufficient funds to legally pay dividends. Even if funds are legally available to pay dividends, we may nevertheless decide, in our sole discretion, not to pay dividends. The declaration, payment and amount of any future dividends will be made at the discretion of our board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors our board of directors may consider relevant. There is no assurance that we will pay any dividends in the future, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend.

The current financial environment may impact our business and financial condition that we cannot predict. The continued instability in the global financial system and related limitation on availability of credit may continue to have an impact on our business and our financial condition, and we may continue to face challenges if conditions in the financial markets do not improve. Our ability to access the capital markets has been restricted as a result of the economic downturn and related financial market conditions and may be restricted in the future when we would like, or need, to raise capital. The difficult financial environment may also limit the number of prospects for potential joint venture, asset monetization or other capital raising transactions that we may pursue in the future or reduce the values we are able to realize in those transactions, making these transactions uneconomic or difficult to consummate.

We did not consummate the Global Energy Group LLC transaction. Metwood had previously entered into a Member Interests Purchase Agreement (the "Agreement") dated June 30, 2013 with Global Energy Group LLC. The Company has determined not to consummate the transaction. The discussions regarding this Agreement are ongoing and any failure of the parties to reach an accommodation may have material adverse effect on our financial condition or results of operations and could divert management's attention and resources.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not Applicable

(7)

Table of Contents

ITEM 2. PROPERTIES

The executive offices of the Company are located at 819 Naff Road Boones Mill, Virginia 24065.

During the fiscal year ended June 30, 2005, we entered into a sales and leaseback transaction with a related party. We sold the various buildings at our corporate headquarters in Boones Mill, Virginia, which house our manufacturing plant, executive offices and other buildings for \$600,000 in cash. We simultaneously entered into a commercial lease agreement with the related party whereby we are committed to lease back these same properties for \$6,800 per month over a ten-year term expiring December 31, 2014. Rent expense charged to operations for the years ended June 30, 2013 and 2012 was \$81,600 and \$80,600, respectively.

We now lease our facilities in Boones Mill, Virginia, which consists of our corporate offices, warehouses, a garage/vehicle maintenance building, and other multi-use buildings. The conditions of these building are very good.

We do not invest in real estate or interests in real estate, real estate mortgages, or securities of or interests in persons primarily engaged in real estate activities and therefore have no policies related to such investments.

ITEM 3. LEGAL PROCEEDINGS

We are currently the complainant in one legal proceeding seeking to recover unpaid amounts from customers. We are not a party to any other legal proceedings, nor, to the best of our knowledge, are any such proceedings threatened or contemplated. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company, threatened against or affecting our Company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Table of Contents**PART II****ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK, RELATED STOCKHOLDER MATTERS AND ISSUERS PURCHASES OF EQUITY SECURITIES.**

Because there is no active trading market for Metwood, Inc. common stock, it is difficult to determine the market value of the stock. Based on the recent close of our common stock at July 24, 2013 of \$.68 per share (with a 52-week high of \$1.35), the market value of shares held by non-affiliates would be \$10,350,720.

Our common stock is currently listed on the OTC PK Market under the symbol "MTWD.PK"

The following table sets forth high and low bid information for each full quarterly period within the two most recent fiscal years. These over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark down, or commission and may not necessarily represent actual transactions.

| Periods | Price Range of Common Stock | |
|--|--------------------------------|------------|
| | High | Low |
| Fiscal Year 2013 | | |
| First Quarter (July - September 2012) | \$0.51 | \$0.04 |
| Second Quarter (October - December 2012) | \$1.35 | \$0.03 |
| Third Quarter (January - March 2013) | \$1.00 | \$0.08 |
| Fourth Quarter (April - June 2013) | \$0.45 | \$0.37 |

| Periods | High | Low |
|--|------------------|------------|
| | Fiscal Year 2012 | |
| First Quarter (July - September 2011) | \$0.43 | \$0.22 |
| Second Quarter (October - December 2011) | \$0.39 | \$0.20 |
| Third Quarter (January - March 2012) | \$0.37 | \$0.21 |
| Fourth Quarter (April - June 2012) | \$0.31 | \$0.04 |

On June 30, 2013, the closing bid price of our common stock was \$0.45.

Holders

The approximate number of holders of record of our common stock as of July 30, 2013 was 1,108. This number does not include an indeterminate number of stockholders whose shares are held by stockbrokers in brokerage accounts. The number of stockholders has been substantially the same during the past ten years.

Dividends

We have not paid any dividends on our common stock and do not intend to pay dividends in the foreseeable future.

Transfer Agent

Metwood's Transfer Agent and Registrar for the common stock is: Colonial Stock Transfer Co, Inc., located at 66 Exchange Place, Suite 100, Salt Lake City, Utah 84111

Issuer Repurchases of Equity Securities

None

RECENT SALES OF UNREGISTERED SECURITIES

Common Stock Issued

Fiscal Year 2013 – Period April 1, 2013 through June 30, 2013

At June 30, 2013, there were no outstanding stock options or warrants.

Forward Stock Splits

There were no forward stock splits to report on for this period.

ITEM 6. Selected Financial Data

The following information has been summarized from financial information included elsewhere and should be read in conjunction with such financial statements and notes thereto.

Summary of Statements of Operations of Metwood Inc.**Statement of Operations Data**

| | For the Year Ended | |
|--|--------------------|-------------|
| | 2013 | 2012 |
| Revenues | \$2,157,379 | \$1,940,526 |
| Net loss | \$(327,504) | \$(354,919) |
| Net loss per common share | \$(0.02) | \$(0.03) |
| | | |
| Weighted average common shares outstanding | 15,221,647 | 12,231,797 |
| | | |
| | For the Year Ended | |
| | 2013 | 2012 |
| Total assets | \$1,944,206 | \$2,185,815 |
| Working capital | \$1,112,947 | \$1,250,111 |
| Shareholders' equity | \$1,583,156 | \$1,907,084 |

No dividends have been declared or paid during the periods presented.

Revenues and Cost of Sales - Consolidated gross sales increased \$216,853, or 11%, for the year ended June 30, 2013 ("fiscal 2013") compared to the year ended June 30, 2012 ("fiscal 2012"). Construction sales consisted of product sales, engineering, delivery and installation fees and increased \$231,709 (12%) comparing fiscal 2013 to 2012. Engineering sales consisted of fees for engineering services and declined 100% comparing fiscal 2013 to 2012. This

decline resulted from the fact that Providence is no longer an operating segment of the Company. Gross profit increased \$111,708 (16%) from fiscal 2012 to fiscal 2013.

Our Company's sales increase for fiscal 2013 versus 2012 reflects a continuing effort to market our products combined with a slight upturn in the building industry. Additionally, the commercial market has overcome some of the residential downturn. The potential for increased sales volume as the Company goes forward is enhanced by the fact that we are now an authorized fabricator for the Aegis light-gage steel truss system.

Cost of sales increased \$105,145 overall (8%) in fiscal 2013 compared to fiscal 2012, representing an increase that was proportional to the change in sales for the same period.

Administrative expenses - These costs decreased \$253,059 from fiscal 2012 to fiscal 2013. The decrease resulted from the fact that there were no impairment losses on intangible assets in fiscal 2013. We are invested in decreasing expenditures where possible in order to maximize our net earnings.

Other Income - Other income in fiscal 2013 was \$9,967, 47% lower than fiscal 2012. The decrease resulted primarily from lower customer finance charge income.

Income Taxes - In fiscal 2013 we recorded an income tax benefit of \$77,150 compared to a tax benefit of \$75,098 in fiscal 2012. An income tax benefit was recognized in both fiscal years because, in addition to the book loss experienced, temporary ("timing") differences between book and tax income gave rise to a higher tax loss, which will be carried forward and offset future taxable income. A deferred tax asset has been recorded to reflect the potential future benefit of such a carry forward. Since the realization of such an asset is uncertain, we have also recorded a valuation allowance to reduce this asset to its net realizable value.

Liquidity and Capital Reserves - Cash flows used for operating activities in fiscal 2013 were \$220,013 versus net cash used for operating activities of \$96,612 in fiscal 2012. The decrease in cash flows from operations for fiscal 2013 was primarily attributable to decreases in the net loss and in inventory and to no impairment loss in fiscal 2013. The issuance of common stock provided \$358,495 from investing activities in fiscal 2013, and we also used \$29,567 for capital improvements and purchases of fixed assets in fiscal 2013 compared to \$39,361 in fiscal 2012. Property disposals increased cash provided by investing activities by \$19,800 in fiscal 2013 compared to \$68,290 in 2012. Financing activities in fiscal 2013 used \$12,711 compared to \$54,119 used in fiscal 2012. The use of funds in 2013 was from amounts repaid to a related party, while funds used in 2012 in financing activities were from amounts repaid to a related party and full repayment of a vehicle loan.

We have historically funded our cash needs through operating income and credit line draws as needed. We will continue to rely on sales revenue as our main source of liquidity and will incur debt primarily to fund inventory

purchases as sales growth produces increased product demand. Liquidity needs that cannot be met by current sales revenue may also arise in certain unusual circumstances such as has previously occurred when rain and snow significantly slowed construction activity and resulted in a corresponding decline in demand for our products. In those circumstances, debt may be added to meet our fixed costs and to maintain inventory in anticipation of a spurt in product demand that generally occurs once a weather-related slowdown has ended.

On a long-term basis, we also anticipate that product demand will increase considerably as we continue to expand our marketing and advertising campaign, which may include the use of television, radio, print and internet advertising. Efforts are well underway to increase the number of out-of-state sales representatives/brokers who will market our products throughout the country. As sales increase, we can add a second shift to meet the additional product demand without having to use funds to expand our production facilities. If additional cash becomes necessary to fund our growth, we may raise this capital through an additional follow-on stock offering rather than taking on more debt. However, there can be no assurance that we will be able to obtain additional equity or debt financing in the future. If we are unable to raise additional capital as needed, our growth potential will be adversely affected, and we would have to significantly modify our plans.

(9)

Table of Contents

ITEM 7. Management's Discussion and analysis of financial condition and results of operation

Management's Discussion and Analysis of Results of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the financial statements included herein. Further, this MD&A should be read in conjunction with the Company's Financial Statements and Notes to Financial Statements included in this Annual Report on Form 10-K for the years ended June 30, 2013 and June 30, 2012, as well as the "Business" and "Risk Factors" sections within this Annual Report on Form 10-K. The Company's financial statements have been prepared in accordance with United States generally accepted accounting principles.

Management's Discussion and Analysis may contain various "forward looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, regarding future events or the future financial performance of the Company that involve risks and uncertainties. Certain statements included in this Form 10-K, including, without limitation, statements related to anticipated cash flow sources and uses, and words including but not limited to "anticipates", "believes", "plans", "expects", "future" and similar statements or expressions, identify forward looking statements. Any forward-looking statements herein are subject to certain risks and uncertainties in the Company's business and any changes in current accounting rules, all of which may be beyond the control of the Company. The Company has adopted the most conservative recognition of revenue based on the most astringent guidelines of the SEC. Management will elect additional changes to revenue recognition to comply with the most conservative SEC recognition on a forward going accrual basis as the model is replicated with other similar markets (i.e. SBDC). The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth therein. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to update these forward-looking statements.

We had previously entered into a Member Interests Purchase Agreement (the "Agreement") dated June 30, 2013 with Global Energy Group LLC. Our company has determined not to consummate the transaction. Therefore, we have decided to proceed with filing a 10K excluding information regarding Global Energy Group LLC. At the present time, both parties continue their due diligence as negotiations proceed. Please look for additional information on these proceedings in future filings.

We anticipate that the next twelve months will be a period of continued growth as we seek to further expand our presence in new markets throughout the United States through increased numbers of distributors, licensees and dealers. ICC code approval is being sought for our TUFFBEAM and is expected to be obtained within the coming fiscal year. If this approval is obtained, product marketability would be greatly enhanced and would likely lead to higher demand.

ITEM 7.A. Quantitative and Qualitative Disclosures about Market Risk.

We do not hold any derivative instruments and do not engage in any hedging activities.

(10)

Table of Contents

ITEM 8. Financial statements and supplementary data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Metwood, Inc.

We have audited the accompanying consolidated balance sheets of Metwood, Inc. (a Nevada corporation) and subsidiary as of June 30, 2013 and 2012, and the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Metwood, Inc. and subsidiary as of June 30, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Bongiovanni & Associates, CPAs

Bongiovanni & Associates, CPAs

Cornelius, North Carolina

November 21, 2013

(11)

Table of Contents

METWOOD, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2013 AND 2012

| | June 30, 2013 | 2012 |
|---|---------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 174,650 | \$ 58,646 |
| Accounts receivable, net | 238,515 | 231,081 |
| Inventory | 930,672 | 961,780 |
| Other current assets | 30,160 | 31,871 |
| Total current assets | 1,373,997 | 1,283,378 |
| Property and Equipment | | |
| Leasehold improvements | 266,689 | 264,820 |
| Furniture, fixtures and equipment | 93,243 | 93,458 |
| Computer hardware, software and peripherals | 178,605 | 167,763 |
| Machinery and shop equipment | 465,085 | 459,087 |
| Vehicles | 372,646 | 381,373 |
| Land improvements | 67,959 | 67,959 |
| | 1,444,227 | 1,434,460 |
| Less accumulated depreciation | (1,063,326) | (1,001,068) |
| Net property and equipment | 380,901 | 433,392 |
| Other Assets | | |
| Deferred tax asset, less valuation reserve | 189,308 | 112,158 |
| TOTAL ASSETS | \$ 1,944,206 | \$ 1,828,928 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Accounts payable | \$ 135,248 | \$ 79,177 |
| Customer deposits | 115,011 | 74,688 |
| Accrued expenses | 10,791 | 10,187 |
| Total current liabilities | 261,050 | 164,052 |
| Long-term Liabilities | | |
| Due to related company | 100,000 | 112,711 |
| Total long-term liabilities | 100,000 | 112,711 |
| Total liabilities | 361,050 | 276,763 |

Edgar Filing: METWOOD INC - Form 10-K

| | | |
|--|-------------|-------------|
| Stockholders' Equity | | |
| Common stock (\$.001 par, 100,000,000 shares authorized; 15,221,647 shares issued and outstanding at June 30, 2013) | 15,222 | 12,232 |
| Common stock not yet issued (\$.001 par, 8,150 shares at June 30, 2013) | 8 | 8 |
| Additional paid-in capital | 1,899,773 | 1,544,268 |
| Retained earnings (deficit) | (331,847) | (4,343) |
| Total stockholders' equity | 1,583,156 | 1,552,165 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| | \$1,944,206 | \$1,828,928 |

See accompanying notes to consolidated financial statements.

(12)

Table of Contents

METWOOD, INC.
AND
SUBSIDIARY
CONSOLIDATED
STATEMENTS
OF INCOME
FOR THE YEARS
ENDED JUNE 30,
2013 and 2012

| | June 30, 2013 | 2012 |
|--|------------------|-------------|
| REVENUES | | |
| Construction sales | \$2,157,379 | \$1,925,670 |
| Engineering sales | — | 14,856 |
| Gross sales | 2,157,379 | 1,940,526 |
| Cost of construction sales | 1,359,162 | 1,234,196 |
| Cost of engineering sales | — | 19,821 |
| Gross cost of sales | 1,359,162 | 1,254,017 |
| Gross profit | 798,217 | 686,509 |
| ADMINISTRATIVE EXPENSES | | |
| Advertising | 29,607 | 41,719 |
| Bad debt provision | 110 | 15,058 |
| Depreciation | 22,289 | 36,040 |
| Impairment losses on intangible assets | — | 253,088 |
| Insurance | 22,584 | 23,521 |
| Payroll expenses | 767,770 | 489,196 |
| Professional fees | 60,022 | 49,757 |
| Rent | 80,820 | 80,600 |
| Research and development | 5,073 | 15,142 |
| Telephone | 19,525 | 17,787 |
| Vehicle | 30,683 | 47,619 |
| Other | 174,355 | 65,875 |
| Total administrative expenses | 1,212,838 | 1,135,402 |
| Operating loss | (414,621) | (448,893) |
| Other income | 9,967 | 18,876 |
| Loss before income taxes | (404,654) | (430,017) |

| | | |
|-------------------------------------|--------------|--------------|
| Income tax benefit | (77,150) | (75,098) |
| Net loss | \$(327,504) | \$(354,919) |
| Basic and diluted deficit per share | \$(0.02) | \$(0.03) |
| Weighted average number of shares | 15,221,647 | 12,231,797 |

See
accompanying
notes to
consolidated
financial
statements.

(13)

Table of Contents

METWOOD, INC.
AND
SUBSIDIARY
CONSOLIDATED
STATEMENTS OF
STOCKHOLDERS'
EQUITY
FOR THE YEARS
ENDED JUNE 30,
2013 AND 2012

| | Common Shares (000s) | Common Shares (\$.001 Par) | Common Shares Not Yet Issued (000s) | Common Shares Not Yet Issued (\$.001 Par) | Additional Paid-in Capital | Retained Earnings |
|--|----------------------------|----------------------------------|--|--|----------------------------------|----------------------|
| Balances July 1, 2011 | 12,232 | \$12,232 | 8 | \$8 | \$1,544,268 | \$ 350,576 |
| Net loss for year | — | — | — | — | — | (354,919) |
| Balances June 30, 2012 | 12,232 | \$12,232 | 8 | \$8 | 1,544,268 | (\$4,343) |
| Issuance of common stock to employees | 560 | \$560 | | | \$285,040 | |
| Issuance of common stock to related company | 2,430 | \$2,430 | | | \$70,465 | |
| Net loss for year | — | — | — | — | — | \$ (327,504) |
| Balances June 30, 2013 | 15,222 | \$15,222 | 8 | \$8 | \$1,899,773 | (\$331,847) |

See accompanying notes to consolidated financial statements.

(14)

Table of Contents

METWOOD, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

| | 2013 | 2012 |
|---|-------------|-------------|
| OPERATING ACTIVITIES | | |
| Net loss | \$(327,504) | \$(354,919) |
| Adjustments to reconcile net loss to net cash provided by (used for) operating activities: | | |
| Depreciation, net of property disposals | 62,258 | 65,975 |
| Provision for deferred income taxes | (77,150) | (75,098) |
| (Increase) decrease in operating assets: | | |
| Accounts receivable | (7,134) | 6,539 |
| Impairment loss on intangible assets | — | 253,088 |
| Inventory | 31,108 | (105,915) |
| Prepaid expenses | 1,411 | 18,962 |
| Refundable income taxes | — | 42,606 |
| Increase in operating liabilities: | | |
| Accounts payable, customer deposits and accrued expenses | 96,998 | 52,150 |
| Net cash provided used for operating activities | (220,013) | (96,612) |
| INVESTING ACTIVITIES | | |
| Issuance of common stock | 358,495 | — |
| Property, plant and equipment: | | |
| Purchases | (29,567) | (39,361) |
| Property disposals | 19,800 | 68,290 |
| Net cash provided by investing activities | 348,728 | 28,929 |
| FINANCING ACTIVITIES | | |
| Net repayment to related party | (12,711) | (24,231) |
| Net borrowings from vehicle financing | — | (29,888) |
| Net cash used for financing activities | (12,711) | (54,119) |
| Net increase (decrease) in cash | 116,004 | (121,802) |
| Cash, beginning of the year | 58,646 | 180,448 |
| Cash, end of the year | \$174,650 | \$58,646 |

See accompanying notes to consolidated financial statements.

(15)

Table of Contents

METWOOD, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

NOTE 1 - ORGANIZATION AND OPERATIONS

Metwood, Inc. ("Metwood") was organized under the laws of the Commonwealth of Virginia on April 7, 1993. On June 30, 2000, Metwood entered into an Agreement and Plan of Reorganization in which the majority of its outstanding common stock was acquired by a publicly held Nevada shell corporation. The acquisition was a tax-free exchange for federal and state income tax purposes and was accounted for as a reverse merger in accordance with Accounting Principles Board ("APB") Opinion No. 16. Upon acquisition, the name of the shell corporation was changed to Metwood, Inc., and Metwood, Inc., the Virginia Corporation, became a wholly owned subsidiary of Metwood, Inc., the Nevada Corporation. The publicly traded shell corporation had not had a material operating history for several years prior to the merger.

Effective January 1, 2002, Metwood acquired certain assets of Providence Engineering, PC ("Providence"), a professional engineering firm with customers in the same proximity as Metwood, for \$350,000 and accounted for the transaction under the purchase method of accounting. As of June 30, 2012, Providence is no longer an operating segment of the Company. We have concluded that the majority of the engineering portion of the business can best be handled through a strategic partnership with an outside engineering firm. We believe that continuing research and development efforts will soon enable us to meet code requirements for our products and will eliminate the need for individual engineering seals.

We provide construction-related products and engineering services to residential customers and contractors, commercial contractors, developers and retail enterprises, primarily in southwestern Virginia.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Basis of Presentation - The financial statements include the accounts of Metwood, Inc. (a Nevada corporation) and its wholly owned subsidiary, Metwood Inc. (a Virginia corporation) prepared in accordance with accounting principles

generally accepted in the United States of America and pursuant to the rules and regulations of the Securities and Exchange Commission. All significant intercompany balances and transactions have been eliminated.

Management's Use of Estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments - For certain of our financial instruments, none of which are held for trading, including cash, accounts receivable, accounts payable and accrued expenses, and the bank lines of credit, the carrying amounts approximate fair value due to their short maturities.

Cash and Cash Equivalents - For purposes of the Consolidated Statements of Cash Flows, we consider liquid investments with an original maturity of three months or less to be cash equivalents. We maintain our cash in bank deposit accounts, which, at times, may exceed the federally insured limit of \$250,000. We have not experienced any losses in such accounts and believe we are not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable - We grant credit in the form of unsecured accounts receivable to our customers based on an evaluation of their financial condition. We perform ongoing credit evaluations of our customers. The estimate of the allowance for doubtful accounts, which is charged off to bad debt expense, is based on management's assessment of current economic conditions and historical collection experience with each customer. At both June 30, 2013 and 2012, the allowance for doubtful accounts was \$5,000. Specific customer receivables are considered past due when they are outstanding beyond their contractual terms and are charged off to the allowance for doubtful accounts when determined uncollectible. For the years ended June 30, 2013 and 2012, the bad debt expense was \$110 and \$15,058, respectively.

Inventory - Inventory, consisting primarily of metal and wood raw materials, is located on our premises and is stated at the lower of cost or market using the first-in, first-out method.

Property and Equipment - Property and equipment are stated at cost less accumulated depreciation and are depreciated over their estimated useful lives using the straight-line method. Recovery periods range from three to thirty-nine years. Upon retirement or sale, the cost and related accumulated depreciation are removed from the balance sheet, and the resulting gain or loss is reflected in other income and expense. Maintenance and repairs are charged to operations as incurred.

Impairment of Long-lived Assets - We evaluate our long-lived assets for indications of possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverability is measured by comparing the carrying amounts to the future net undiscounted cash flows which the assets are expected to generate. Should an impairment exist, the impairment would be measured by the amount by which the carrying amount of the assets exceeds the projected discounted future cash flows arising from the asset. There have been no such impairments of long-lived assets through June 30, 2013 and 2012.

Patents - We have been assigned several key product patents developed by certain Company officers. No value has been recorded in our financial statements because the fair value of the patents was not determinable within reasonable limits at the date of assignment.

Goodwill - We account for goodwill and intangibles under SFAS No. 142, "Goodwill and Other Intangible Assets." As such, goodwill is not amortized, but is subject to annual impairment reviews, or more frequent reviews if events or circumstances indicate there may be impairment. Goodwill was recorded at the time of Metwood's acquisition of Providence Engineering. Since Providence is no longer an active company (it has no employees and carries on no business activities), all goodwill carried on the books was 100% impaired and accordingly was written off as of June 30, 2012.

Revenue Recognition - Revenue is recognized when goods are shipped and earned or when services are performed, provided collection of the resulting receivable is probable. If any material contingencies are present, revenue recognition is delayed until all material contingencies are eliminated. Further, no revenue is recognized unless collection of the applicable consideration is probable.

Income Taxes - Income taxes are accounted for in accordance with FASB ASC 740, *Income Taxes*. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and for net operating loss carry forwards, where applicable. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or the entire deferred tax asset will not be realized. Deferred tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment.

Research and Development - We perform research and development on our metal/wood products, new product lines, and new patents. Costs, if any, are expensed as they are incurred. For the year ended June 30, 2013, expenses were \$5,073 and for the year ended June 30, 2012, expenses were \$15,142.

Advertising - We expense advertising costs as incurred. However, certain expenditures are treated as prepaid (such as trade show fees) if they are for goods or services which will not be received until after the end of the accounting period. These costs are subsequently recognized as expenses in those periods in which the goods or services are received.

Earnings Per Common Share - Basic earnings per share amounts are based on the weighted average shares of common stock outstanding. If applicable, diluted earnings per share would assume the conversion, exercise or issuance of all potential common stock instruments such as options, warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share. This presentation has been adopted for the years presented. There were no adjustments required to net income for the years presented in the computation of diluted earnings per share.

Recent Accounting Pronouncements - In April 2013, the FASB issued ASU No. 2013-07, Presentation of Financial Statements (Topic 205): Liquidation Basis of Accounting ("ASU 2013-07"). With ASU 2013-07, the FASB amends the guidance in the FASB Accounting Standards Codification [FASB ASC] Topic 205, entitled Presentation of Financial Statements. The amendments serve to clarify when and how reporting entities should apply the liquidation basis of accounting. The guidance is applicable to all reporting entities, whether they are public or private companies or not-for-profit entities. The guidance also provides principles for the recognition of assets and liabilities and disclosures, as well as related financial statement presentation requirements. With the new guidance, reporting entities in liquidation are required to prepare financial statements using a basis of accounting that communicates information to users of the financial statements to enable those users to develop expectations about how much the reporting entities will have available for distribution to investors after disposing of its assets and settling its obligations. The requirements in ASU 2013-07 are effective for annual reporting periods beginning after December 15, 2013, and interim reporting periods within those annual periods. Reporting entities are required to apply the requirements in ASU 2013-07 prospectively from the day that liquidation becomes imminent. Early adoption is permitted.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

(16)

Table of Contents

NOTE 3 - RELATED-PARTY TRANSACTIONS

For the years ended June 30, 2013 and 2012, we had sales of \$21,455 and \$24,231, respectively, to our shareholder and CEO, Robert Callahan. As of June 30, 2013 and 2012, the related receivable was \$-0-.

Also, from time to time, we contract with a construction company 50% owned by our CEO which provides capital improvements and maintenance work on our buildings and grounds. Billings for such services during the years ended June 30, 2013 and 2012 were \$10,080 and \$-0-, respectively.

NOTE 4 - COMMITMENT

In prior years, we implemented a stock-based incentive compensation plan for our employees. Participating employees have an after-tax deduction withheld by the Company throughout the calendar year. As of December 31 of each year, the employee is considered vested in the plan, and we will match the participating employee's withheld amounts. We may also make a discretionary contribution based upon pay incentives or attendance. Periodically, we will purchase restricted stock on behalf of the employee in the amount of his withholdings, our match, and any discretionary contributions.

NOTE 5 - EQUITY

During the years ended June 30, 2013, we issued 560,000 common shares for the benefit of employees included in our stock-based incentive compensation program. There were no shares issued in the program for the year ended June 30, 2012. In addition, 2,429,850 shares were issued to a related party as payment for a finder's fee.

NOTE 6 - SALE OF FIXED ASSETS AND RELATED OPERATING LEASE

During the year ended June 30, 2005, we entered into a sales and leaseback transaction with a related party. We sold the various buildings at our corporate headquarters which house our manufacturing plants, executive offices and other buildings for \$600,000 in cash. We simultaneously entered into a commercial lease agreement with the related party whereby we are committed to lease back these same properties for \$6,800 per month over a ten-year term expiring December 31, 2014. Rent expense charged to operations related to the commercial lease for the years ended June 30, 2013 and 2012 was \$81,600 and \$80,600, respectively.

Future minimum lease payments under non-cancelable operating leases as of June 30, 2013 are as follows:

Year Ending June 30.

| | |
|-----------------|----------|
| 2014 | \$81,600 |
| 2015 and beyond | |

NOTE 8 - INCOME TAXES

The components of income tax benefit consist of:

| | 2013 | 2012 |
|--------------------------|-------------|------------|
| Current: | | |
| Federal | \$(20,681) | \$— |
| State | (5,598) | — |
| | (26,279) | — |
| Deferred: | | |
| Federal | (44,569) | (64,362) |
| State | (6,302) | (10,736) |
| | (50,871) | (75,098) |
| Total income tax benefit | \$(77,150) | \$(75,098) |

The reconciliation of the provision for income taxes at the U. S. federal statutory income tax rate of 39% to the Company's income taxes is as follows:

| | | | |
|---|--|-------------|-------------|
| Loss before income taxes | | \$(404,654) | \$(430,017) |
| Income tax benefit computed at the statutory rate | | (157,815) | (167,706) |

Edgar Filing: METWOOD INC - Form 10-K

| | | |
|---|-------------|-------------|
| State income tax benefit, net of federal tax effect | (14,517) | (15,459) |
| Non-deductible expenses | 3,119 | 2,977 |
| Valuation reserve adjustment | 77,150 | 89,209 |
| Effect of graduated income tax rates | 14,912 | 15,881 |
| Total income tax benefit | \$(77,150) | \$(75,098) |

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for federal and state income tax purposes. We have recorded deferred tax assets at June 30, 2013 and 2012, net of a valuation reserve, of \$189,308 and \$112,158, respectively. The components of these amounts are as follows:

| | 2013 | 2012 |
|--------------------------------|-----------|-----------|
| Tax loss carryforward | \$102,666 | \$99,047 |
| Depreciation and miscellaneous | 86,642 | 13,111 |
| Net deferred tax asset | \$189,308 | \$112,158 |

(17)

Table of Contents**NOTE 9 - SEGMENT INFORMATION**

Until June 30, 2012, we operated in two principal business segments: (1) construction-related products and (2) engineering services. Performance of each segment is evaluated based on profit or loss from operations before income taxes. These reportable segments are strategic business units that offer different products and services. Summarized revenue and expense information by segment for the years ended June 30, 2013 and 2012 is as follows:

| | 2013 | 2012 |
|------------------------------|--------------|--------------|
| Construction: | | |
| Sales | \$2,157,379 | \$1,925,670 |
| Cost of sales | (1,359,162) | (1,234,196) |
| Intersegment expenses | — | (200) |
| Intersegment revenues | — | 6,000 |
| Corporate and other expenses | (1,125,721) | (1,032,671) |
| Segment loss | \$(327,504) | \$(335,397) |
| Total assets | \$1,944,206 | \$1,828,928 |
| Capital expenditures | \$(29,567) | \$39,361 |
| Depreciation | \$79,631 | \$97,821 |
| Interest expense | \$28 | \$— |
| Engineering: | | |
| Sales | \$— | \$14,856 |
| Cost of sales | — | (19,821) |
| Intersegment revenues | — | 200 |
| Intersegment expenses | — | (6,000) |
| Corporate and other expenses | — | (8,757) |
| Segment loss | \$— | \$(19,522) |
| Total assets | \$— | \$— |
| Capital expenditures | \$— | \$— |
| Depreciation | \$— | \$4,120 |
| Interest expense | \$— | \$111 |

(18)

Table of Contents

NOTE 10 – SUBSEQUENT EVENTS

The following events occurred subsequent to the period covered by this Form 10-K Annual Report for the period ended June 30, 2013.

Amendment to Company’s Articles of Incorporation

On October 1, 2013, the Company filed with the Nevada Secretary of State a Certificate of Amendment to the Company’s Articles of Incorporation. The Amendment was approved by a “Unanimous Written Consent of The Board of Directors of Metwood, Inc.”, on August 6, 2013, pursuant to the authority granted them by a “Written Consent of The Holders of a Majority of the Voting Shares of Metwood, Inc.”, dated August 6, 2013. The information regarding this issue was fully disclosed in the Company’s Form 8-K Report filed on October 2, 2013. The Amendment incorporated the following changes:

- a. The total number of shares of "Preferred Stock" that the Corporation is authorized to issue is 40,000,000 shares with a par value of \$0.001 per share.

- b. Grant to the Board of Directors the full right and authority to increase or otherwise change the authorized shares of common stock and preferred stock without any shareholder action or approval.

- c. Grant to the Board of Directors the full right and authority to change the name of the Corporation at a future date without out any shareholder action or approval.

Metwood had previously entered into a Member Interests Purchase Agreement (the "Agreement") dated June 30, 2013 with Global Energy Group LLC. The Company has determined not to consummate the transaction. Therefore, the Company has decided to proceed with filing a 10K excluding information regarding Global Energy Group LLC. At

the present time, both parties continue their due diligence as negotiations proceed. Please look for additional information on these proceedings in future filings.

(19)

Table of Contents

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of disclosure controls and procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures were designed to provide reasonable assurance that the controls and procedures would meet their objectives. As required by SEC Rule 13a-15(b), our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Annual Report on Internal Control over Financial Reporting

Our Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining adequate internal control over our financial reporting. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, management has conducted an assessment, including testing, using the criteria in Internal Control — Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has used the framework set forth in the report entitled Internal Control-Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission, known as COSO, to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, our Chief Executive Officer and Chief Financial Officer have concluded that our internal control over financial reporting was not effective as of June 30,

2013. Management's

assessment identified the following material weaknesses in internal control over financial reporting:

The small size of our Company limits our ability to achieve the desired level of separation in our internal controls and financial reporting. We do have a separate CEO and CFO; however, we do not have an Audit Committee to review and oversee the financial policies and procedures of the Company. Until such time we are able to install an audit committee, we do not meet the full requirement for separation. In the interim, we will continue to strengthen the role of our CEO and CFO and their review of our internal control procedures.

(b) Changes in internal control over financial reporting

We regularly review our system of internal control over financial reporting to ensure we maintain an effective internal control environment. As we grow geographically and with new product offerings, we continue to create new processes and controls as well as improve our existing environment to increase efficiencies. Improvements may include such activities as implementing new, more efficient systems, consolidating activities, and migrating processes.

There were not changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

(20)

Table of Contents

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Identification of Directors and Executive Officers

The following table sets forth the names and the nature of all positions and offices held by all directors and executive officers of the Company for the year ending June 30, 2013 and to the date of the filing of this report and the periods during which each such director or executive officer has served in his respective positions:

Name Position and Background

Robert M. Callahan President and CEO

Mr. Callahan has been involved in the building industry for over thirty years. He is well recognized in southwestern Virginia as an innovator in the uses of passive solar design and wood/metal products in custom home building. Along with Mr. Ronald Shiflett, he formed Metwood, Inc. in 1993 to bring light-gage construction, used in commercial building for years, into common use in residential construction.

Shawn A. Callahan Secretary/Treasurer/CFO/VP/General Manager

Education: MBA Accounting, University of Phoenix

B.S. Computer Science and Mathematics, Virginia Military Institute

Since starting with Metwood, Inc. in May 1996, Mr. Callahan has played a major role in the restructuring of the Company, increasing production, improving efficiency, and developing computer aids for the Company.

Term of Office

The term of office of the current directors shall continue until new directors are elected or appointed.

Family Relationships

Robert Callahan is the father of Shawn Callahan.

Involvement in Certain Legal Proceedings

Except as indicated below and to the knowledge of management, during the past five years, no present or former director, person nominated to become a director, executive officer, promoter or control person of the Company:

(1) was a general partner or executive officer of any business by or against which any bankruptcy petition was filed, whether at the time of such filing or two years prior thereto;

(2) was convicted in a criminal proceeding or named the subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities;

(4) was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than sixty days the right of such person to engage

in any activity described above under this Item, or to be associated with persons engaged in any such activity; or

(5) was found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, nor has a judgment been reversed, suspended, or vacated.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors, officers and persons who own more than 10% of the Company's common stock or other registered class of equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and greater than 10% shareholders are required to furnish us with copies of all Section 16(a) forms they file.

Based solely on a review of the forms received covering purchase and sale transactions in the Company's common stock during the fiscal year ended June 30, 2013, the Company believes that each person who, at any time during that period, was a director, executive officer, or beneficial owner of more than 10% of the Company's common stock complied with all Section 16(a) filing requirements.

Item 11. Executive Compensation

The following table sets forth in summary form the compensation received during each of the Company's last three fiscal years by our President and Chief Executive Officer, Robert M. Callahan, and our Chief Financial Officer, Shawn A. Callahan:

| Salary (\$) | Bonus (\$) | Stock (1) Awards (\$) | Option Awards (\$) | Non Equity Inventive Plan Compensation (\$) | Change in Pension Value and Non Qualified Deferred Compensation Earnings (\$) | All Other Compensation (\$) | Total |
|----------------|---------------|-----------------------------|--------------------------|--|---|-----------------------------------|-------|
| | | (3) | | | | (2) | |

| Name and Principal Position | Fiscal Year | | | | | | | | (\$) |
|------------------------------------|--------------------|--------|-------|---------|---|---|---|---|----------------------|
| Robert M. Callahan. | 2013 | 80,000 | 7,100 | 153,000 | 0 | 0 | 0 | 0 | 241,000 |
| CEO and Director | 2012 | 71,667 | 7,800 | 0 | 0 | 0 | 0 | 0 | 79,467 |
| | 2011 | 95,119 | 7,200 | 0 | 0 | 0 | 0 | 0 | 102,319 |
| Shawn A. Callahan | 2013 | 62,102 | 7,580 | 76,500 | 0 | 0 | 0 | 0 | 146,182 |
| CFO and Director | 2012 | 63,006 | 8,938 | 0 | 0 | 0 | 0 | 0 | 71,944 ¹⁾ |
| | 2011 | 76,663 | 7,287 | 0 | 0 | 0 | 0 | 0 | 83,950 |

(1) The dollar value of bonuses (cash and non-cash) received.

(2) During the periods covered by the table, the Company did not pay any other annual compensation not properly categorized as salary or bonus, including perquisites and other personal benefits, securities or property.

(3) During the periods covered by the table, the Company made restricted stock awards as shown.

(4) The Company currently has no stock option or restricted stock bonus plans.

Outstanding Stock Options and Stock Appreciation Rights Grants

The Company has no stock appreciation rights.

Outstanding Stock Awards at Year End

The outstanding equity awards have vested and are previously reported under “Summary Compensation”.

Options Exercises and Stocks Vested

Options exercised and stocks vested as at June 30, 2013 are none.

Grants of Plan-Based Awards

Grants of plan-based awards are none.

Non Qualified Deferred Compensation

As at June 30, 2013, the Company had no formalized deferred compensation plan.

Golden Parachute Compensation

As at June 30, 2013, the Company had no arrangements in place relating to the termination of employees.

Long-Term Incentive Plan Awards Table

There are no Long-Term Incentive Plans in place at this time.

Aggregated Option Exercises and Fiscal Year-End Option Values

None.

Compensation of Directors

Directors who provide services to the Company in other capacities has been previously reported under “Summary Compensation”.

Pension Benefits

As of June 30, 2013, the Company had no pension or retirement plans.

Equity Compensation Plan Information

None.

(21)

Table of Contents

Compensation of Directors

There are no standard arrangements pursuant to which our directors are compensated for any services provided as director. No additional amounts are payable to our directors for committee participation or special assignments.

There are no arrangements pursuant to which any of our directors was compensated during our last completed fiscal year or the previous two fiscal years for any services provided as director.

Termination of Employment and Change of Control Arrangement

There are no compensatory plans or arrangements, including payments to be received from the Company, with respect to any person named in the Summary Compensation Table set out above which would in any way result in payments to any such person because of his resignation, retirement or other termination of such person's employment with the Company or its subsidiaries, or any change in control of the Company, or a change in the person's responsibilities following a change in control of the Company.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Security Ownership of Certain Beneficial Owners

The following table sets forth the shares held by those persons who owned more than five percent of Metwood's common stock as of July 24, 2013, based upon 15,221,647 shares outstanding:

Greater Than 5% Owners

| Title of Class Name and Address of Beneficial Owner | No. of Shares | Percent of Class |
|--|---------------|------------------|
| Common Robert Callahan 819 Naff Road Boones Mill, VA 24065 | 9,501,632 | (1)62.4% |
| Common Ronald Shiflett | | |

Edgar Filing: METWOOD INC - Form 10-K

| | | |
|---|-----------|------|
| 638 Patti Road Rocky Mount, VA 24151 | 1,000,000 | 6.6% |
|---|-----------|------|

(1) Includes direct and indirect interests. There are 9,128,600 common shares included in this amount that are owned in the names of family members of Mr. Callahan.

Security Ownership of Management

The following table sets forth the shares held by Metwood directors and officers as of July 24, 2013:

Management Ownership

| Title of Class Name and Address of Beneficial Owner | No. of Shares | Percent of Class |
|--|---------------|------------------|
| Common Robert Callahan 819 Naff Road Boones Mill, VA 24065 | 9,501,632 | (1) 62.4% |

(1) Includes direct and indirect interests. There are 9,128,600 common shares included in this amount that are owned in the names of family members of Mr. Callahan.

Ownership of shares by directors and officers of Metwood as a group: 62.4%

Changes in Control

We know of no contractual arrangements which may at a subsequent date result in a change of control in the Company.

Description of Capital Structure

General

Our authorized capital stock consists of 100,000,000 shares of common stock, par value \$ 0.001.

Common Stock

The shares of our common stock presently outstanding, and any shares of our common stock issues upon exercise of common stock purchase options and/or warrants, will be fully paid and non-assessable. Each holder of common stock is entitled to one vote for each share owned on all matters voted upon by shareholders, and a majority vote is required for all actions to be taken by shareholders. In the event we liquidate, dissolve or wind-up our operations, the holders of the common stock are entitled to share equally and ratably in our assets, if any, remaining after the payment of all our debts and liabilities and the liquidation preference of any shares of preferred stock that may then be outstanding. The common stock has no preemptive rights, no cumulative voting rights, and no redemption, sinking fund, or conversion provisions. Holders of common stock are entitled to receive dividends, if and when declared by the Board of Directors, out of funds legally available for such purpose, subject to the dividend and liquidation rights of any preferred stock that may then be outstanding.

Voting Rights

Each holder of Common Stock is entitled to one vote for each share of Common Stock held on all matters submitted to a vote of stockholders.

Dividends

Subject to preferences that may be applicable to any then-outstanding securities with greater rights, if any, and any other restrictions, holders of Common Stock are entitled to receive ratably those dividends, if any, as may be declared from time to time by the Company's board of directors out of legally available funds. The Company and its predecessors have not declared any dividends in the past and does not presently contemplate that there will be any future payment of any dividends on Common Stock.

Amendment to Company's Articles of Incorporation

On October 1, 2013, the Company filed with the Nevada Secretary of State a Certificate of Amendment to the Company's Articles of Incorporation. The Amendment was approved by a "Unanimous Written Consent of The Board of Directors of Metwood, Inc.", on August 6, 2013, pursuant to the authority granted them by a "Written Consent of The Holders of a Majority of the Voting Shares of Metwood, Inc.", dated August 6, 2013. The information regarding this issue was fully disclosed in the Company's Form 8-K Report filed on October 2, 2013. The Amendment incorporated

the following changes:

- a. The total number of shares of "Preferred Stock" that the Corporation is authorized to issue is 40,000,000 shares with a par value of \$0.001 per share.

- b. Grant to the Board of Directors the full right and authority to increase or otherwise change the authorized shares of common stock and preferred stock without any shareholder action or approval.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Following are the transactions between Metwood and members of management, directors, officers, 5% shareholders, and promoters of Metwood:

For the years ended June 30, 2013 and 2012, we had sales of \$21,455 and \$24,231, respectively, to our shareholder and CEO, Robert Callahan. Specifically we contract with a construction company 50% owned by our CEO, Robert Callahan, which provides capital improvements and maintenance work on our buildings and grounds. As of June 30, 2013 and 2012, the related receivable was \$0.00 Also, from time to time, we contract with a construction company 50% owned by our CEO, Robert Callahan, which provides capital improvements and maintenance work on our buildings and grounds. Billings for such services during the years ended June 30, 2013 and 2012 were \$10,080 and \$-0-, respectively.

During the year ended June 30, 2005, we entered into a sales and leaseback transaction with a related party. We sold the various buildings at our corporate headquarters which house our manufacturing plants, executive offices and other buildings for \$600,000 in cash. We simultaneously entered into a commercial lease agreement with the related party whereby we are committed to lease back these same properties for \$6,800 per month over a ten-year term expiring December 31, 2014. Rent expense charged to operations for the years ended June 30, 2013 and 2012 was \$81,600 and \$80,600,

(22)

Table of Contents**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the website at <http://www.sec.gov>. The public may also read and copy any document we file with the SEC at its Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549, on official business days during the hours of 10:00 am to 3:00 pm. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. We maintain a website at <http://www.energizerresources.com>, (which website is expressly not incorporated by reference into this filing). Information contained on our website is not part of this report on Form 10-K.

Item 14. Principal Accounting Fees and Services

The following table sets forth the aggregate fees billed or to be billed by Bongiovanni & Associates,

CPAs for audit services rendered in connection with the consolidated financial statements and reports for the years ended June 30, 2013 and 2012:

| | 2013 | 2012 |
|--------------------|----------|----------|
| Audit fees | \$28,384 | \$29,124 |
| Audit-related fees | — | — |
| Tax fees | — | — |
| All other fees | — | — |
| Total fees | \$28,384 | \$29,124 |

Audit fees : Consist of fees billed for professional services rendered for the audits of our consolidated financial statements and reviews of the interim consolidated financial statements included in quarterly reports and services that are normally provided by our auditors in connection with statutory and regulatory filings or engagements and attest services, except those not required by statute or regulation.

Audit-related fees : Consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under "Audit fees." These services include accounting consultations in connection with the Sarbanes-Oxley Act of 2002.

Tax fees : Consist of fees billed for tax compliance, tax advice and tax planning services.

All other fees : Consist of fees billed for all other services other than those reported above.

(23)

Table of Contents

PART IV

ITEM 15. EXHIBITS AND REPORTS.

| Exhibit No. | Exhibit |
|-------------|--|
| 3.1 (a) | Articles of Incorporation (1) |
| 3.1 (b) | Amendment to Articles of Incorporation(2) |
| 3.2 | New Adopted Bylaws (1) |
| 31.1* | Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act. (6)(6 (2) |
| 31.2* | Certification of Principal Financial and Accounting Officer Pursuant to Section 906 of the Sarbanes-Oxley Act. |
| 32.1* | Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act. |
| 32.2* | Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act. |

*filed herewith

(1) Incorporated by reference on Form 8-K, filed February 16, 2000.

(2) Incorporated by reference on Form 8-K, filed October 2, 2013.

(24)

Table of Contents

ITEM 15: SIGNATURES

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

Registrant

METWOOD, INC.

By:

Date: November 13, 2013

/s/ ROBERT M. CALLAHAN

Robert M. Callahan
President and Chief Executive Officer and Director

Date: November 13, 2013 **/s/ Shawn A. Callahan**

By:

Shawn A. Callahan
Vice President and Chief Financial Officer, Principal Accounting Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: November 13, 2013 **By: /s/ ROBERT M. CALLAHAN**

Robert M. Callahan
President and Chief Executive Officer and Director

Date: November 13, 2013

By: /s/ Shawn A. Callahan

Shawn A. Callahan
Vice President and Chief Financial Officer, Principal Accounting Officer and Director