

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-KSB

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED JUNE 30, 2004.

Commission File Number 0-33067

DIGICORP

(Name of small business issuer as specified in its charter)

Utah 87-0398271

(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification Number)

1206 West South Jordan Parkway, Unit B  
South Jordan, Utah 84095

(Address of principal executive offices)

(801) 566-3000

(Issuer's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock (Par  
Value \$.001 Per Share)

Indicate by check mark whether the issuer (1) has filed all reports required to  
be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months  
(or for such shorter period that the registrant was required to file such  
reports), and (2) has been subject to such filing requirements for the past 90  
days. Yes X No

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405  
of Regulation S-K 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-KSB or any amendment to  
this Form 10-KSB. Yes X No

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The aggregate market value on June 30th, 2004, of common shares held by  
non-affiliates was approximately \$894,274 based on the average of the closing  
bid and asked prices of the registrant's common shares on such date, as quoted  
by the National Quotation Bureau.

The issuer's revenues for its most recent fiscal year were \$0 since the Company  
is deemed a development stage company.

As of September 21, 2004, the issuer had 9,742,857 shares of its \$.001 par  
value common stock issued and outstanding.

Transitional Small Business Issuer Disclosure Format Yes No X

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PART I

ITEM 1. BUSINESS.

DigiCorp (the "Company"), was incorporated on July 19, 1983 under the laws of  
the State of Utah for the purpose of developing and marketing computer software  
programs. From 1983 to 1995, the Company's sales and investments had been  
attributable to the sale of computer software and investments related to oil,  
gas and mining.

On June 30, 1995, the Company became a development stage enterprise as defined  
in SFAS No. 7 (See Notes to Company's financials) when it sold its investments  
and changed its business plan. Since June 30, 1995, the Company has been in the  
developmental stage and has had no operations other than issuing shares for  
financing the preparation of financial statements and for preparing filings for  
the Securities and Exchange Commission.

The Company's business plan is to attempt to locate and negotiate with another  
company for the purpose of a business combination of the two companies. The  
combination will normally take the form of a merger, stock-for-stock exchange or  
stock-for-assets exchange. In most instances the company combining with DigiCorp  
will wish to structure the business combination to be within the definition of a  
tax-free reorganization under Section 351 or Section 368 of the Internal Revenue  
Code of 1986, as amended. No assurances can be given that the Company will be  
successful in locating or negotiating with another company in a business  
combination.

The Company has been formed to provide a method for a foreign or domestic  
private company to become a reporting ("public") company qualified to trade on a  
secondary market in the United States.

Bankruptcy, receivership or similar proceedings

Neither the Company nor any of its predecessors has been subject to any bankruptcy, receivership or similar proceeding.

#### Benefits Achieved by Combining With Another Company

There are certain perceived benefits to being a reporting company with a class of publicly-traded securities. Some of these benefits are the ability to use registered securities to make acquisitions of assets or businesses, increased visibility in the financial community, the facilitation of borrowing from financial institutions, improved trading efficiency of a company's stock, shareholder liquidity, greater ease in raising additional capital, market valuation of stock options for compensating key employees and enhancement of the corporate image.

#### Business Entities That May Be Interested in a Business Combination with DigiCorp

A business entity, if any, which may be interested in a business combination with DigiCorp may include the following:

1. A company that desires to go public for the purpose of having its securities used for the acquisition of assets or other businesses;
2. A company that is unable to find an underwriter for its securities or is unable to find an underwriter to sell its securities on terms acceptable to the company;
3. A company that desires to become public with less dilution of its common stock than would occur upon an underwriting;
4. A company, that believes it can obtain investment capital on more favorable terms after it has become public;
5. A foreign company that may desire to enter the equity markets of the United States;
6. A special situation company, such as a company seeking a public market to satisfy redemption requirements under a qualified Employee Stock Option Plan;
7. A company that desires to become public in less time than would be required for a registration statement.
8. A company that may desire any other benefits associated with being a company with publicly trading securities.

A business combination will normally involve the transfer to the company that is being combined with the majority of the issued and outstanding common stock of DigiCorp, and the substitution by the combining company of its own management and board of directors.

No assurances can be given that the Company will be able to enter into a business combination, or as to the terms of a business combination, or as to the nature of the company that will be combining with DigiCorp.

The Company elected to file its Form 10-SB registration statement on a voluntary basis in order to become a reporting company under the Securities Exchange Act of 1934.

#### RISK FACTORS

The Company's business is subject to numerous risk factors, including the following:

**Minimal Operating History and Very Few Assets.** The Company has not been operating for several years and has no significant assets. The Company will, in all likelihood, sustain operating expenses without corresponding revenues, at least until the consummation of a business combination. As a result the Company will be operating at a loss until at least a business combination with another company can be completed. There is no assurance that the Company can identify another company for a business combination nor that the business combination can be completed.

**Speculative Nature of the Company's Business.** The success of the Company's proposed plan of operation will depend to a great extent on the operations, financial condition and management of the target company to be combined with. While management will prefer business combinations with entities having established operating histories, there can be no assurance that the Company will be successful in locating candidates meeting such criteria. In the event the Company completes a business combination, of which there can be no assurance, the success of the Company's operations will be dependent upon management of the target company and numerous other factors beyond the Company's control.

**Competition for Business Combinations.** The Company is and will continue to be an insignificant participant in the business of seeking mergers with and acquisitions of business entities. A large number of established and well-financed entities, including venture capital firms, are active in mergers and acquisitions of companies which may be merger or acquisition target

candidates for the Company. Nearly all such entities have significantly greater financial resources, technical expertise and managerial capabilities than the Company and, consequently, the Company will be at a competitive disadvantage in identifying possible business opportunities and successfully completing a business combination. Moreover, the Company will also compete with numerous other small public companies in seeking merger or acquisition candidates.

**Impracticability of a Thorough Investigation.** The Company's limited funds and the lack of full-time management will likely make it impracticable to conduct a complete and exhaustive investigation and analysis of a target company. The decision to enter into a business combination, therefore, will likely be made without detailed feasibility studies, independent analysis, market surveys or similar information which, if the Company had more funds available to it, would be desirable. The Company will however, require audited financial statements from a company it intends to combine with.

**No Agreement for Business Combination or Other Transaction.** The Company has no arrangement, agreement or understanding with respect to engaging in a merger, joint venture or acquisition of, a private or public entity. There can be no assurance the Company will be successful in identifying and evaluating suitable business opportunities or in concluding a business combination. Management has not identified any particular industry or specific business within an industry for evaluation by the Company. There is no assurance the Company will be able to negotiate a business combination on terms favorable to the Company.

**No Standards for Business Combination.** The Company has not established a specific length of operating history or a specified level of earnings, assets, net worth or other criteria which it will require a target business opportunity to have achieved. Accordingly, the Company may enter into a business combination with another business having no significant operating history. In addition, the target company may have had no history of earnings, have limited assets a negative net worth or other characteristics that are associated with development stage companies.

**Continued Management Control, Limited Time Availability.** While seeking a business combination, none of the management will be devoting their full time to such an enterprise. None of the officers have entered into a written employment agreement with the Company and none is expected to do so in the foreseeable future. The Company does not have key man life insurance on any of its officers or directors. Notwithstanding the combined limited experience and time commitment of management, loss of the services of any of the management team would adversely affect the opportunity of a business combination for the Company. See "Directors, and Executive Officers".

**Conflicts of Interest - General.** Officers and directors of the Company may participate in business ventures which could be deemed to compete directly with the Company. Additional conflicts of interest and non-arms length transactions may also arise in the event the officers or directors are involved in the management of any firm with which the Company transacts business. Management does not plan to seek a merger with, or acquisition of, any entity in which management serves as officers, directors or partners, or in which they or their family members own or hold any direct or indirect ownership interest.

**Affiliation With Other Development Stage Companies.** Officers and Directors of the Company may be affiliated with other development stage companies such as DigiCorp. In the event that management identifies a candidate for a business combination, and the candidate expresses no preference for a particular company, management may make a business combination with another development stage company that it is associated with. As a result, there can be no assurance that there will be sufficient business opportunities to consummate a business combination for DigiCorp.

**Reporting Requirements May Delay or Preclude Acquisition.** Sections 13 and 15(d) of the Securities Exchange Act of 1934 require reporting companies to provide certain information about significant acquisitions, including certified financial statements for the company acquired, covering one, two, or three years, depending on the relative size of the acquisition. The time and additional costs that may be incurred by some target entities to prepare such statements may significantly delay or essentially preclude consummation of an otherwise desirable acquisition by the Company. Acquisition prospects that do not have or are unable to obtain the required audited statements may be inappropriate for acquisition so long as the reporting requirements of the Securities Exchange Act of 1934 are applicable.

**Lack of Diversification.** The Company's proposed operations, even if successful, will in all likelihood result in the Company engaging in a business combination with another company. Consequently, the Company's activities may be limited to those business opportunities engaged in by the target company. The Company's inability to diversify its activities into a number of areas may subject the Company to economic fluctuations within a particular business or industry and therefore increase the risks associated with the operations.

**International Business Risk.** If the Company enters into a business combination with a foreign company, the Company will be subject to risks inherent in business operations outside of the United States. Such risks include, for example, currency fluctuations, regulatory problems, punitive tariffs, unstable local tax policies, trade embargoes, risks related to shipment

of raw materials and finished goods across national borders and cultural and language differences. Foreign economies may differ favorably or unfavorably from the United States economy in growth of gross national product, rate of inflation, market development, rate of savings and capital investment, resource self-sufficiency and balance of payments positions, and in other respects.

**Probable Change in Control and Management.** A business combination involving the issuance of the Company's common stock will, in all likelihood, result in shareholders of a private company obtaining a controlling interest in the Company. Any such business combination may require management of the Company to sell or transfer all or a portion of the Company's common stock held by them, or resign as members of the Board of Directors of the Company. The resulting change in control of the Company could result in removal of one or all the present officers and directors of the Company and a corresponding reduction in or elimination of their participation in the future affairs of the Company.

**Dilution of Present Shareholders After Business Combination.** The Company's plan for a business combination would be with another private company that would most likely result in the private company's shareholders owning a majority interest of the outstanding shares of the combined company. As a result the percentage ownership of the present shareholders in DigiCorp would be substantially diluted if the Company is successful in completing a business combination.

**Taxation.** Federal and state tax consequences will, in all likelihood, be major considerations in any business combination undertaken by the Company. Currently, such transactions may be structured so as to result in tax-free treatment to both companies, pursuant to various federal and state tax provisions. The Company intends to structure any business combination so as to minimize the federal and state tax consequences to both the Company and the target entity; however, there can be no assurance that such business combination will meet the statutory requirements of a tax-free reorganization or that the parties will obtain the intended tax-free treatment upon a transfer of stock or assets. A non-qualifying reorganization could result in the imposition of both federal and state taxes which may have an adverse effect on both parties to the transaction.

#### PRINCIPAL PRODUCTS AND SERVICES

The primary activities by the Company are to seek out and investigate the acquisition of any viable business opportunity by purchase and exchange for securities of the Company for ownership in the target company resulting in a business combination.

#### Distribution Methods of the Products or Services.

Management will seek out and investigate business opportunities through every reasonably available fashion, including personal contacts, professionals, securities broker-dealers, venture capital personnel, members of the financial community and others who may present unsolicited proposals; the Company may also advertise its availability as a vehicle to bring a company to the public market through a "reverse" reorganization or merger. The Company presently does not have any company as a target for a business combination nor does the Company presently have any products or services.

#### COMPETITIVE BUSINESS CONDITIONS

Competitors include thousands of other publicly-held companies whose business operations have proven unsuccessful, and whose only viable business opportunity is that of providing a publicly-held vehicle through which a private entity may have access to the public capital markets. There is no reasonable way to predict the competitive position of the Company or any other entity under the circumstances; however, the Company, will be at a competitive disadvantage in competing with companies that have recently completed an initial public offering, have significant cash resources and have recent operating histories when compared with the complete lack of any substantive operations by the Company for the past several years.

#### Sources and Availability of Raw Materials and Names of Principal Suppliers.

Since the Company does not have any products or services it does not presently require any raw materials and therefore, has no dependence on any one supplier or customers to purchase products.

#### Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements or Labor Contracts.

The Company does not have any patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts. In addition, the Company is not presently involved in any research or development.

#### Need for any Governmental Approval of Principal Products or Services.

The Company currently produces no products or services, therefore, it is not presently subject to any governmental regulation in this regard. However, in the event that the Company engages in a merger or acquisition transaction with an entity that engages in such activities, it will become subject to all

governmental approval requirements to which the merged or acquired entity is subject.

*Effect of Existing or Probable Governmental Regulations on Business.*

The integrated disclosure system for small business issuers adopted by the Securities and Exchange Commission in Release No. 34-30968 and effective as of August 13, 1992, substantially modified the information and financial requirements of a "Small Business Issuer," defined to be an issuer that has revenues of less than \$25 million; is a U.S. or Canadian issuer; is not an investment company; and if a majority-owned subsidiary, the parent is also a small business issuer; provided, however, an entity is not a small business issuer if it has a public float (the aggregate market value of the issuer's outstanding securities held by non-affiliates) of \$25 million or more.

The Securities and Exchange Commission, state securities commissions and the North American Securities Administrators Association, Inc. ("NASAA") have expressed an interest in adopting policies that will streamline the registration process and make it easier for a small business issuer to have access to the public capital markets.

*Cost and Effects of Compliance with Environmental Laws.*

Presently environmental laws are not applicable to the Company, however, environmental laws, rules and regulations may have an adverse effect on any business venture viewed by the Company as an attractive acquisition, reorganization or merger candidate, and these factors may further limit the number of potential candidates available to the Company for acquisition, reorganization or merger.

*Number of Employees.*

The Company presently has no full-time employees, however, management will devote whatever time they deem necessary to evaluate different business opportunities for a business combination. Management of the Company also expects to use consultants, attorneys and accountants as necessary, and does not anticipate a need to engage any full-time employees so long as it is seeking and evaluating companies for a business combination. The need for employees and their availability will be addressed in connection with the decision whether or not to acquire or participate in a specific business combination.

**ITEM 2. DESCRIPTION OF PROPERTY.**

The executive and business office of the Company consists of office space located at 1206 W. South Jordan Parkway, Unit B, South Jordan, Utah 84095. The office space is owned by Gregg B. Colton, Don J. Colton and John O. Anderson and is leased to Pioneer Oil and Gas. Currently, the Company is not charged for using the office space. The Company believes this office space is adequate to serve its needs until such time as a business combination occurs. The Company also expects to be able to utilize this office space until such time as a business combination is consummated. The Company has no other property that it uses or owns.

**ITEM 3. LEGAL PROCEEDINGS.**

The Company is not a party to any legal proceedings, nor is the Company aware of any disputes that may result in legal proceedings.

**ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS**

During the fourth quarter of the fiscal year covered by this report, no matters were submitted to a vote of security holders.

**PART II**

**ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED MATTERS**

The Company is listed on the over-the-counter market on the NASDAQ OTC Bulletin Board. The range of high and low bid information for the shares of the Company's stock for the last fiscal year, as reported by the OTC Bulletin Board National Quotation Bureau, is set forth below. Such quotations represent prices between dealers, do not include retail markup, markdown or commission, and do not represent actual transactions. The Company was not trading for year ending June 30, 2003.

Year Ended June 30, 2004	High	Low
First Quarter	\$.10	\$.01
Second Quarter	.15	.01
Third Quarter	.13	.06
Fourth Quarter	.18	.07

There have been no cash dividends declared by the Company since its inception. Further, there are no restrictions that would limit the Company's ability to pay dividends on its common equity or that would be likely to do so in the future.

The Company has no plans to register any of its securities under the Securities

Act for sale by security holders. There is no public offering of equity and there is no proposed public offering of equity.

**ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**Plan of Operation**

The Company is presently a development stage company conducting virtually no business operation, other than its efforts to effect a business combination with a target business which the Company considers to have significant growth potential. Currently, the Company does not engage in any operation or receive any cash flow. The Company will carry out its plan of business as discussed above. See "Description of Business". The Company cannot predict to what extent its liquidity and capital resources will be diminished prior to the consummation of a business combination or whether its capital will be further depleted by the operating losses (if any) of the target business combining with the Company.

During its fiscal year ending June 30, 2004, the Company expended \$2,774 primarily in accounting fees for preparing financial statements and review of its quarterly and annual filings with the SEC. The Company had borrowed money from Vernal Western Drilling a Company owned by Don J. Colton and Gregg B. Colton to cover some of the professional fees and other expenses that the Company incurred during the last year and the previous fiscal year, these amounts have been repaid by the issuance and sale of stock in the Company during the last fiscal year. The Company does not anticipate borrowing any funds for the next fiscal year but most likely will require additional capital or borrowing after that if a business combination is not consummated within the next 12 months. In the event, that a business combination does not occur during the next 12 months and the Company is not able to borrow any funds, the Company may need to raise additional capital to meet its needs to continue to pursue a business combination or that it may cease operations. No commitments of any kind to provide additional funds have been made by management, other present shareholders or any other third person. There are no agreements or understandings of any kind with respect to any future loans from officers or directors of the Company on behalf of the Company. Accordingly, there can be no assurance that any additional funds will be available to the Company to allow it to cover its expenses. In the event the Company elects to raise additional capital prior to the effectuation of a business combination, it expects to do so through the private placement of restricted securities rather than through a public offering. The Company does not currently contemplate making a Regulation S offering.

Since the Company's cash reserves are minimal, officers and director's of the Company are compensated by the Company by issuances of stock in lieu of cash. See "Executive Compensation". Presently, there are no arrangements or anticipated arrangements to pay any type of additional compensation to any officer or director in the near future. Regardless of whether the Company's cash assets prove to be inadequate to meet the Company's operational needs, the Company might seek to compensate providers of services by issuances of stock in lieu of cash. See "Certain Relationships and Transactions".

**Results of Operations.**

The Company has had no material operations for the last two fiscal years. Losses were (2,774) and (\$2,317) respectively, for the fiscal years ended June 30, 2004, and 2003. Losses in the current 2004 fiscal year and 2003 were attributable primarily for payments made to the auditors for audited financial statements and reviewing filings with the SEC.

**Liquidity.**

The Company had no liquidity during the fiscal year ended June 30, 2003 and for the fiscal year ended June 30, 2004, the Company had \$3,919. The Company does not contemplate raising capital over the next twelve months by issuance of any debt or additional equity securities. The Company has no loan agreements with any officer or director or other entity or individual.

**ITEM 7. FINANCIAL STATEMENTS**

DIGICORP  
(A Development Stage Company)

FINANCIAL STATEMENTS

June 30, 2004 and 2003

*DIGICORP*  
*(A Development Stage Company)*

*FINANCIAL STATEMENTS*

*June 30, 2004 and 2003*

*DIGICORP*  
*(A Development Stage Company)*

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*INDEPENDENT AUDITORS' REPORT*

*To the Stockholders' and  
Board of Directors of*

We have audited the accompanying balance sheets of DigiCorp (a development stage company), as of June 30, 2004 and 2003 and the related statements of operations, stockholders' equity (deficit), and cash flows for the years then ended and the cumulative amounts since inception of development stage. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 financial statements referred to above present fairly, in all material respects, the financial position of DigiCorp (a development stage company), as of June 30, 2004 and 2003 and the results of its operations and its cash flows for the years then ended and the cumulative amounts since inception of development stage, in conformity with accounting principles generally accepted in the United States of America.

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The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company's revenue generating activities are not in place and the Company has incurred losses since inception of development stage. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

JONES SIMKINS, P.C.  
 Logan, Utah  
 September 1, 2004

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<TABLE>  
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DIGICORP  
 (A Development Stage Company)  
 BALANCE SHEETS

	June 30,	
ASSETS	2004	2003
<S>	<C>	<C>
Current assets -		
cash	\$ 3,991	-
Total assets	\$ 3,991	-
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities - related party payable	\$ -	235
Commitments and contingencies		-
Stockholders' equity (deficit):		
Common stock, \$.001 par value, 50,000,000 shares authorized, 9,742,857 and 9,042,857 shares issued and outstanding, respectively	9,743	9,043



Additional paid-in capital	523,338	517,038
Accumulated deficit	(511,627)	(511,627)
Deficit accumulated during the development stage	(17,463)	(14,689)
	-----	-----
Total stockholders' equity (deficit)	3,991	(235)
	-----	-----
Total liabilities and stockholders' equity	\$ 3,991	-
	=====	=====

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

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DIGICORP  
(A Development Stage Company)  
STATEMENTS OF OPERATIONS

	Years Ended June 30,		Cumulative
	2004	2003	Amounts
	-----	-----	-----
	2004	2003	Amounts
	-----	-----	-----
<S>	<C>	<C>	<C>
Revenue	\$ -	-	-
General and administrative expenses	2,774	2,317	17,463
	-----	-----	-----
Net loss before income taxes	(2,774)	(2,317)	(17,463)
Provision for income taxes	-	-	-
	-----	-----	-----
Net loss	\$ (2,774)	(2,317)	(17,463)
	=====	=====	=====
	-----	-----	-----
Loss per common share - basic and diluted	\$ -	-	-
	=====	=====	-----
	-----	-----	-----
Weighted average common shares - basic and diluted	9,576,000	9,043,000	-
	=====	=====	-----
	-----	-----	-----

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

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DIGICORP  
(A Development Stage Company)  
STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)  
July 1, 1995 to June 30, 2004

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Deficit Accumulated During the Development Stage	Total
	Shares	Amount				
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at July 1, 1995	7,842,857	\$ 7,843	\$ 504,238	\$ (511,627)	\$ -	\$ 454

Issuance of common stock for cash	200,000	200	3,800	-	-	4,000
Net loss	-	-	-	-	(3,774)	(3,774)
Balance at June 30, 1996	8,042,857	8,043	508,038	(511,627)	(3,774)	680
Net loss	-	-	-	-	(169)	(169)
Balance at June 30, 1997	8,042,857	8,043	508,038	(511,627)	(3,943)	511
Net loss	-	-	-	-	(45)	(45)
Balance at June 30, 1998	8,042,857	8,043	508,038	(511,627)	(3,988)	466
Net loss	-	-	-	-	(202)	(202)
Balance at June 30, 1999	8,042,857	8,043	508,038	(511,627)	(4,190)	264
Net loss	-	-	-	-	(264)	(264)
Balance at June 30, 2000	8,042,857	8,043	508,038	(511,627)	(4,454)	-
Issuance of common stock for:						
cash	500,000	500	4,500	-	-	5,000
services	500,000	500	4,500	-	-	5,000
Net loss	-	-	-	-	(5,110)	(5,110)
Balance at June 30, 2001	9,042,857	9,043	517,038	(511,627)	(9,564)	4,890
Net loss	-	-	-	-	(2,808)	(2,808)
Balance at June 30, 2002	9,042,857	9,043	517,038	(511,627)	(12,372)	2,082
Net loss	-	-	-	-	(2,317)	(2,317)
Balance at June 30, 2003	9,042,857	9,043	517,038	(511,627)	(14,689)	(235)
Issuance of common stock for cash	700,000	700	6,300	-	-	7,000
Net loss	-	-	-	-	(2,774)	(2,774)
Balance at June 30, 2004	9,742,857	\$ 9,743	\$ 523,338	\$ (511,627)	\$ (17,463)	\$ 3,991

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

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DIGICORP  
(A Development Stage Company)  
STATEMENTS OF CASH FLOWS

	Years Ended June 30,		Cumulative Amounts
	2004	2003	
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net loss	\$ (2,774)	(2,317)	(17,463)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock issued for services	-	-	5,000
Increase (decrease) in related party payable	(235)	235	-
Net cash used in operating activities	(3,009)	(2,082)	(12,463)

Cash flows from investing activities:	-	-	-
Cash flows from financing activities:			
Proceeds from issuance of common stock	7,000	-	16,000
Net cash provided by financing activities	7,000	-	16,000
Net increase (decrease) in cash	3,991	(2,082)	3,537
Cash, beginning of period	-	2,082	454
Cash, end of period	\$ 3,991	-	3,991

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

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DIGICORP  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2004 and 2003

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

The Company was organized under the laws of the State of Utah on July 19, 1983. On July 1, 1995, the Company became a development stage enterprise as defined in SFAS No. 7 when it sold its assets and changed its business plan. Accordingly the financial statements include cumulative amounts since July 1, 1995. The Company proposes to seek business ventures that will allow for long-term growth.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all investments with a maturity of three months or less to be cash equivalents.

Income Taxes

Deferred income taxes are provided in amounts sufficient to give effect to temporary differences between financial and tax reporting, principally related to net operating loss carryforwards.

Earnings Per Share

The computation of basic earnings per common share is based on the weighted average number of shares outstanding during the year.

The computation of diluted earnings per common share is based on the weighted average number of shares outstanding during the year plus the common stock equivalents which would arise from the exercise of stock options and warrants outstanding using the treasury stock method and the average market price per share during the year. Common stock equivalents are not included in the diluted earnings per share calculation when their effect is antidilutive. The Company does not have any stock options or warrants outstanding at June 30, 2004 and 2003.

Concentration of Credit Risk

The Company maintains cash in bank and deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

DIGICORP  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2004 and 2003

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Going Concern

As of June 30, 2004, the Company's revenue generating activities are not in place and the Company has incurred losses since inception of development stage. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Management intends to seek additional funding through business ventures. There can be no assurance that such funds will be available to the Company, or available on terms acceptable to the Company.

Note 3 - Income Taxes

The difference between income taxes at statutory rates and the amount presented in the financial statements is a result of the following for the years ended June 30:

	Years Ended June 30,		Cumulative Amounts
	2004	2003	
Income tax benefit at statutory rate	\$ 1,000	1,000	26,000
Change in valuation allowance	(1,000)	(1,000)	(26,000)
	\$ -	-	-

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DIGICORP  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2004 and 2003

Note 3 - Income Taxes (continued)

Deferred tax assets are as follows at June 30:

	2004	2003
Net operating loss carryforwards	\$ 26,000	39,000
Valuation allowance	(26,000)	(39,000)
	\$ -	-

The Company has net operating loss carryforwards of approximately \$76,000, which begin to expire in the year 2004. The amount of net operating loss carryforwards that can be used in any one year will be limited by significant changes in the ownership of the Company and by the applicable tax laws which are in effect at the time such carryforwards can be utilized.

During the year ended June 30, 2004, the Company had approximately \$40,000 of net operating loss carryforward which expired.

Note 4 - Related Party Payable

At June 30, 2004 and 2003, the Company has a related party payable of \$0 and \$235, respectively, due to an entity partially owned by the majority shareholder and officer of the Company. The payable is unsecured, non-interest bearing and due on demand.

Note 5 - Recent Accounting Pronouncements

In May 2003, the FASB issued SFAS 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." This new statement changes the accounting for certain financial instruments that, under previous guidance, issuers could account for as equity or classifications between liabilities and equity in a section that has been known as "mezzanine capital." It requires that those certain instruments be classified as liabilities in balance sheets. Most of the guidance in SFAS 150 is effective for all financial instruments entered into or modified after May 31, 2003. The adoption of SFAS 150 did not have any impact on the Company's financial statements.

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DIGICORP  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2004 and 2003

Note 5 - Recent Accounting Pronouncements (continued)

In April 2003, the FASB issued SFAS 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities under SFAS 133, "Accounting for Derivative Instruments and Hedging Activities". This Statement is effective for contracts entered into or modified after June 30, 2003, with certain exceptions, and for hedging relationships designated after June 30, 2003, with certain exceptions. The adoption of SFAS did not have any effect on the Company's financial statements.

In January 2003, the FASB issued Interpretation 46, "Consolidation of Variable Interest Entities" (FIN 46), which addresses consolidation by business enterprises of variable interest entities. FIN 46 clarifies the application of Accounting Research Bulletin No. 51, "Consolidated Financial Statements", to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 applies immediately to variable interest entities created after January 31, 2003 and to variable interest entities in which an enterprise obtains an interest after that date. It applies in the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. The Company has not identified and does not expect to identify any variable interest entities that must be consolidated.

In December 2002, the Financial Accounting Standards Board issued SFAS 148 "Accounting for Stock-Based Compensation - Transition and Disclosure - an amendment of FASB Statement 123," which is effective for all fiscal years ending after December 15, 2002. SFAS 148 provides alternative methods of transition for a voluntary change to fair value based method of accounting for stock-based employee compensation under SFAS 123 from intrinsic value based method of accounting prescribed by Accounting Principles Board Opinion 25. SFAS 148 also changes the disclosure requirement of SFAS 123, requiring a more prominent disclosure of the pro-forma effect of the fair value based method of accounting for stock-based compensation. The adoption of SFAS 148 by the Company did not have any impact on the Company's financial statements and is not expected to have any impact on future operations.

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ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS.

The Company has had no changes in and/or disagreements with its accountants.

PART III

ITEM 9 - DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS;  
COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

The directors, executive officers and significant employees of the company are as follows:

NAME	AGE	POSITION WITH COMPANY
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Gregg B. Colton	51	President, Treasurer & Director
Don J. Colton	58	Vice President, Secretary & Director
Glenn W. Stewart	64	Director
Norman Sammis	66	Director

Note: Gregg B. Colton and Don J. Colton are brothers.

Gregg B. Colton serves as the Company's President, Treasurer and Director. Mr. Colton is employed with Pioneer Oil and Gas a publicly traded company as its Vice President, Secretary, General Counsel and a member of the Board of Directors. Mr. Colton has been employed with the Pioneer Oil and Gas since it actually commenced business in 1981. Mr. Colton is involved in handling the contracts, sales of oil and gas products and legal problems of the Company along with the day to day decision making for the Company with the Company's President. From 1981 to 1984, Mr. Colton was also a partner in the law firm of Cannon, Hansen & Wilkinson. Mr. Colton is a member of the Utah State Bar and a real estate broker. He is also a member of the Corporate Counsel and Business sections of the Utah State Bar. Mr. Colton earned his BA from the University of Utah in 1976 and a Juris Doctor and a Master of Business Administration from Brigham Young University in 1981.

Don J. Colton serves as the Vice President, Secretary and Director of the Company. Mr. Colton is employed as the President, Treasurer and Chairman of the Board of Directors of Pioneer Oil and Gas. Since the inception of Pioneer Oil and Gas in October 1980 Mr. Colton has been involved in all aspects of the business for Pioneer Oil and Gas including exploration, acquisition and development of producing properties. From 1979 to 1981, Mr. Colton was Chief Financial Officer and a member of the Board of Directors of Drilling Research Laboratory in Salt Lake City, Utah. The Drilling Research Laboratory is a subsidiary of Terra Tech, Inc. and prior to his involvement with the Drilling Research Laboratory, Mr. Colton was Manager of Special Projects for Terra Tech. Mr. Colton received a BS in Physics from Brigham Young University in 1970 and a Master of Business Administration from the University of Utah in 1974.

Glenn W. Stewart. Mr. Stewart received his B.S. In Physics in 1962 from Brigham Young University and his M.B.A. from B.Y.U. in 1966. For the last ten years Mr. Stewart has been President and CEO of Moxtek, Inc. of Orem, Utah.

Norman W. Sammis. Mr. Sammis received his B.S. in Engineering in 1960 from the U.S. Naval Academy. He received his M.S. in Business Management in 1967 from the Naval Postgraduate School in Monterey, California. From 1968 to 1980, Mr. Sammis was employed with the U.S. Marine Corps in various capacities. From 1980 to 1981, Mr. Sammis was Director of Systems Implementation for Weidner Communications, Inc. of Provo, Utah. Since 1981, Mr. Sammis has been employed by the Church of Jesus Christ of Latter-Day-Saints as a Quality Assurance Analyst and later as a Supervisor of a Project Development Team. In his current position, Mr. Sammis is the Manager of Technical Services in the Purchasing Division of the LDS Church and acts as contract manager for all technology items.

#### COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's officers and directors, and persons who own more than ten percent of the Company's Common Stock, to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC"). Officers, directors and greater than ten percent stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

The following disclosure is based solely upon a review of the Forms 3 and any amendments thereto furnished to the Company during the Company's fiscal year ended June 30, 2004, and Forms 5 and amendments thereto furnished to the Company with respect to such fiscal year, or written representations that no Forms 5 were required to be filed by such persons. Based on this review the following persons who were a director or beneficial owner of more than 10% of the Company's outstanding Common Stock during such fiscal year no reports were required to be filed were filed late during the fiscal year.

#### ITEM 10. EXECUTIVE COMPENSATION

No cash compensation was paid to any officer or director of the Company during the fiscal year ending June 30, 2004. No cash compensation was paid to any of the present executive officers during the fiscal year ended June 30, 2004 and June 30, 2003. However, the Company, in Board meetings held in 2003, issued Vernal Western Drilling a total of 400,000 common shares for \$4,000 contributed to the Company and 300,000 common shares for \$3,000 to designates of Alpine Securities Corporation. The \$7,000 was needed to pay for the Company's audits and expenses for the next year. Vernal Western Drilling is a company owned 100% by Don J. Colton and Gregg B. Colton. There is currently no policy in place that prevents the Company from compensating any officer, director or affiliate in the form of the Company's shares of common stock or other non-cash compensation.

The Company has no agreement or understanding, express or implied, with any officer, director, or principal stockholder, or their affiliates or associates, regarding employment with the Company or compensation for services. The Company

has no plan, agreement, or understanding, express or implied, with any officer, director, or principal stockholder, or their affiliates or associates, regarding the issuance to such persons of any shares of the Company's authorized and unissued common stock. There is no understanding between the Company and any of its present stockholders regarding the sale of a portion or all of the common stock currently held by them in connection with any future participation by the Company in a business. There are no other plans, understandings, or arrangements whereby any of the Company's officers, directors, or principal stockholders, or any of their affiliates or associates, would receive funds, stock, or other assets in connection with the Company's participation in a business. No advances have been made or contemplated by the Company to any of its officers, directors, or principal stockholders, or any of their affiliates or associates.

There is no policy that prevents management from adopting a plan or agreement in the future that would provide for cash or stock based on compensation for services rendered to the Company.

The Company presently has not granted options to any of its directors or officers. However, the Company in the future may grant options to officers and directors as determined by the Board of Directors.

Upon the merger or acquisition of a business, it is possible that current management will resign and be replaced by persons associated with the business acquired, particularly if the Company participates in a business by effecting a stock exchange, merger, or consolidation as discussed under the "Description of Business" above. In the event that any member of current management remains after effecting a business acquisition, that member's time commitment and compensation will likely be adjusted based on the nature and location of such business and the services required, which cannot now be foreseen.

#### ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock by each person or group that is known by the Company to be the beneficial owner of more than five percent of its outstanding Common Stock, each director of the Company, each person named in the Summary Compensation Table, and all directors and executive officers of the Company as a group as of June 30, 2004. Unless otherwise indicated, the Company believes that the persons named in the table below, based on information furnished by such owners, have sole voting and investment power with respect to the Common Stock beneficially owned by them, where applicable.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Common	Gregg B. Colton 10026 Ridge Gate Circle Sandy, Utah 84092	1,174,984*	12.06%
Common	Don J. Colton 2172 East Gambel Oak Dr. Sandy, Utah 84092	1,436,344*	14.74%
Common	Glenn W. Stewart 2210 Blaine Avenue Salt Lake City, Utah 84108-3006	328,200	3.4%
Common	Norman Sammis 5858 West 11140 North Highland, Utah 84003	68,220	.70%
Common	Pioneer Oil and Gas 1206 W. South Jordan Parkway Unit B South Jordan, Utah 84095	773,279	7.96%
All Directors and Officers as a Group (4 Persons)**		3,007,748	30.87%

\*Includes 50% of the 900,000 common shares owned by Vernal Western Drilling since Gregg B. Colton owns 50% of Vernal Western Drilling and Don J. Colton owns 50%. Also included in Don J. Colton's total shares are 544,344 shares held in the name of American Drilling Services, Inc. in which Don J. Colton is the sole shareholder.

\*\*Don J. Colton and Gregg B. Colton are the officers and two of the four directors of Pioneer Oil and Gas. If the shares of Pioneer Oil and Gas are included in the total amount for all directors and officers the number of shares is 3,781,027 and the percentage is then 38.81%.

The shares listed above also include those that are held jointly with the director's spouse.

#### ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

At the Board meeting described above under "Executive Compensation" held in September 2003, the Board of Directors of the Company issued 400,000 common shares to Vernal Western Drilling for contributing \$4,000 in cash. Vernal Western Drilling is a privately held company owned 50% by Don J. Colton and 50% by Gregg B. Colton.

The Company presently is using office space that is owned two-thirds by Don J. Colton and Gregg B. Colton. Currently, the Company is not charged for rent nor does Don J. Colton or Gregg B. Colton intend to have the Company pay any rent within the next year. However, in the event the office space is leased to the Company it will be leased on terms reasonable for the same kind of office space in the area that it is located.

ITEM 13 - EXHIBITS AND REPORTS ON FORM 8-K

PART F/S FINANCIAL STATEMENTS

The financial statements of the Company as required by Item 310 of Regulation S-B are included in Part II, Item 7 of this report.

PART III. INDEX TO EXHIBITS

The following Exhibits are filed herewith:

Exhibit No.	Description
3(i)	Articles of Incorporation (1) (with amendments)
3(ii)	Bylaws (1)

(1) Incorporated by reference from the Company's 2001 Form 10SB. REPORTS ON FORM 8-K

The Company has not filed any reports on Form 8-K during the last fiscal year.

SIGNATURES

Pursuant to the requirements of 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, thereunto duly authorized.

/s/ Gregg B. Colton  
-----  
Director/President

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Annual Report of DigiCorp (the "Company") on Form 10-KSB for the period ended June 30, 2004 (the "Report"), I, Gregg B. Colton, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2003, that:

(i) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Gregg B. Colton  
-----  
Gregg B. Colton  
Chief Executive Officer  
September 22, 2004

CERTIFICATION PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002

I, Gregg B. Colton, certify that:

1. I have reviewed this annual report on Form 10-KSB of DigiCorp.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial



information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report.

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

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

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

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

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

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

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

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

DATE: September 22, 2004

/s/ Gregg B. Colton

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Gregg B. Colton, President