

Edgar Filing: AZONIC CORP - Form 10QSB

AZONIC CORP
Form 10QSB
August 23, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

Quarterly Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For Quarter Ended 0-28315

June 30, 2004 Commission File No.

AZONIC CORPORATION

(Exact name of Registrant as specified in its charter)

NEVADA 84-1517404

(State or other jurisdiction of (I.R.S. Empl. Ident. No.)
incorporation or organization)

7 Dey Street, Suite 900, New York, New York 10007

(Address of Principal Executive Offices) (Zip Code)

(212) 962-4400

(Registrant's Telephone Number, including Area Code)

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 such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes X No

The number of shares outstanding of each of the Registrant's classes of common equity, as of August 17, 2004 are as follows:

Class of Securities	Shares Outstanding
-----	-----
Common Stock, \$.001 par value	24,000,000

INDEX

Page of
Report

PART I. FINANCIAL STATEMENTS

Edgar Filing: AZONIC CORP - Form 10QSB

Item 1. Financial Statements.

Balance Sheets:

As of June 30, 2004 (Unaudited) and March 31, 2004 F-1

Statements of Operations (Unaudited):

For the three months ended June 30, 2004, year ended
March 31, 2004 and Cumulative from inception (May 1, 1996)
through June 30, 2004.....F-2

Statements of Cash Flows (Unaudited):

For the three months ended June 30, 2004, year ended
March 31, 2004 and Cumulative from inception (May 1, 1996)
through June 30, 2004.....F-3

Statement of Changes in Stockholders' Equity (Unaudited):

From inception (May 1, 1996) through June 30, 2004.....F-4

Notes to Financial Statements (Unaudited)F-5

Item 2. Management's Discussion and Analysis or Plan of Operation.....10

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....12

Signatures.....12

2

PART I -- FINANCIAL INFORMATION

Item 1. Financial Statements

AZONIC CORPORATION (A Development Stage Company)

BALANCE SHEETS ASSETS

	(Unaudited) June 30 2004 -----	(Audited) Mar. 31 2004 -----
Current Assets:		
Cash	\$ -0-	\$7,500
Plant, Property and Equipment:	-0-	-0-
Other Assets	-0-	-0-

Edgar Filing: AZONIC CORP - Form 10QSB

	-----	-----
TOTAL ASSETS	\$ -0-	\$7,500
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$11,787	\$ 1,284
Notes payable - related party	25,853	25,102
	-----	-----
	37,640	26,386
Stockholders' Equity:		
Preferred Stock: 5,000,000 shares		
Authorized; \$.001 par value;	-0-	-0-
none issued and outstanding		
Common Stock: 50,000,000 shares		
Authorized; \$.001 par value;		
24,000,000 shares outstanding	24,000	24,000
Paid in Capital (deficit)	(23,700)	(23,700)
Deficit accumulated during		
The development stage	(37,940)	(19,186)
	-----	-----
Total Stockholders' Equity	(37,640)	(18,886)
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ -0-	\$7,500
	=====	=====

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

F-1

AZONIC CORPORATION (A Development Stage Company)

STATEMENT OF OPERATIONS For the Periods as Noted

	(Unaudited) 3 Months Ended 6-30-04	(Unaudited) 3 Months Ended 6-30-03	May 1, 1996 (Inception) to June 30, 2004
	-----	-----	-----
Revenues:	\$ -0-	\$ -0-	\$ -0-
	-----	-----	-----
Costs and Expenses:			
Amortization	-0-	-0-	50

Edgar Filing: AZONIC CORP - Form 10QSB

General and Administrative	18,754	1,500	37,890
	-----	-----	-----
Net (Loss) from Operations	(18,754)	(1,500)	(37,940)
Other Income (Expense)	-0-	-0-	-0-
	-----	-----	-----
Net (Loss) for the Period	\$ (18,754)	\$ (1,500)	\$ (37,940)
	=====	=====	=====
(Loss) per common share	\$ *	\$ *	\$ *
	=====	=====	=====
Weighted Average Shares Outstanding	24,000,000	24,000,000	13,636,000
	=====	=====	=====

* Less than (\$.01) per share.

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

F-2

AZONIC CORPORATION (A Development Stage Company)

STATEMENT OF CASH FLOWS For the Periods as Noted

	(Unaudited) 3 Months Ended 6-30-04	(Unaudited) 3 Months Ended 6-30-03	May 1, 1996 (Inception) to June 30, 2004
	-----	-----	-----
Cash Flows from Operating Activities			
Net loss	\$ (18,754)	\$ (1,500)	\$ (37,940)
Adjustments to reconcile net loss			
To net cash provided by operating activities			
Amortization	-0-	-0-	50
Noncash services	-0-	-0-	250
Increase in accounts payable	10,503	-0-	11,787
	-----	-----	-----
Net cash used by operating Activities	(8,251)	(1,500)	(25,853)
Cash Flows from Investing Activities	-0-	-0-	-0-
Cash Flows from Financing Activities			

Edgar Filing: AZONIC CORP - Form 10QSB

Shareholder contribution	-0-	1,500	-0-
Increase in notes payable	751		25,853
	-----	-----	-----
Net cash provided by Financing activities	751	-0-	25,853
Net Increase (Decrease)	(7,500)	-0-	-0-
Beginning Cash Balance	-0-	-0-	-0-
	-----	-----	-----
Cash Balance - End of Period	\$ -0-	\$ -0-	\$ -0-
	=====	=====	=====

Supplemental disclosure of noncash investing and financing activities:

Common Stock issued for Organizational costs & Services	\$ -0-	\$ -0-	\$ 300
	=====	=====	=====

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

F-3

AZONIC CORPORATION (A Development Stage Company)

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY For the Period May 1, 1996 (Inception) to June 30, 2004

	Common Stock			Deficit Accumulated from Inception
	Shares	Amount	Paid-in (Deficit)	
	-----	-----	-----	-----
Balances May 1, 1996	-0-	\$ -0-	\$ -0-	\$ -0-
Common stock issued For services & costs	4,000,000	4,000	(3,950)	
Net Loss 3-31-97	-0-	-0-	-0-	(9)
	-----	-----	-----	-----
Balance 3-31-97	4,000,000	4,000	(3,950)	(9)
Net loss 3-31-98	-0-	-0-	-0-	(10)
	-----	-----	-----	-----
Balance 3-31-98	4,000,000	4,000	(3,950)	(19)
Net loss 3-31-99	-0-	-0-	-0-	(31)
	-----	-----	-----	-----

Edgar Filing: AZONIC CORP - Form 10QSB

Balance 3-31-99	4,000,000	4,000	(3,950)	(50)
Common stock issued For services 8-10-99	20,000,000	20,000	(19,750)	-0-
Net loss 3-31-00	-0-	-0-	-0-	(250)
	-----	-----	-----	-----
Balance 3-31-00	24,000,000	24,000	(23,700)	(300)
Net Income 3-31-01	-0-	-0-	-0-	-0-
	-----	-----	-----	-----
Balance 3-31-01	24,000,000	24,000	(23,700)	(300)
Net Income 3-31-02	-0-	-0-	-0-	-0-
	-----	-----	-----	-----
Balance 3-31-02	24,000,000	24,000	(23,700)	(300)
Net Income 3-31-03	-0-	-0-	-0-	-0-
	-----	-----	-----	-----
Balance 3-31-03	24,000,000	24,000	(23,700)	(300)
Net Income 3-31-04	-0-	-0-	-0-	(18,886)
	-----	-----	-----	-----
Balance 3-31-04	24,000,000	24,000	(23,700)	(19,186)
Net income 6-30-04	-0-	-0-	-0-	(18,754)
	-----	-----	-----	-----
Balance 6-30-04	24,000,000	24,000	(23,700)	(37,540)
	=====	=====	=====	=====

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

F-4

AZONIC CORPORATION (A Development Stage Company)

NOTES TO THE FINANCIAL STATEMENTS (Unaudited) June 30, 2004

NOTE 1: THE COMPANY

Organization and Nature of Operations-

The financial statements presented are those of Azonic Corporation. The Company is a development stage company with no operations. The Company is developing a Business Plan pursuing opportunities in the telecommunications area. Its principal executive offices are located at 7 Dey Street, New York, New York 10005. Azonic was initially incorporated in the state of Colorado on May 1, 1996 as Grand Canyon Ventures Two, Incorporated. The Company changed its name to Azonic Engineering Corporation on June 23, 1998. On November 12, 1999, it was redomiciled to the State of Nevada by merging into its wholly-owned subsidiary, Azonic Corporation, which now is the name of the Company. As a result of the merger, the Company has changed the par value of its common stock to \$.001. The accompanying financial statements have been restated to reflect this change.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

- - - - -

Edgar Filing: AZONIC CORP - Form 10QSB

Condensed Financial Statements - The financial statements dated June 30, 2004 included herein have been prepared by Azonic Corporation (the "Company") without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted as allowed by such rules and regulations. The Company believes that the disclosures are adequate to make the information presented not misleading. While management believes the procedures followed in preparing these financial statements are reasonable, the accuracy of the amounts are, in some respects, dependent upon the facts that will exist, and procedures that will be accomplished by the Company in the future.

Use of Estimates - 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 amounts could differ from those estimates.

F-5

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes - The Company provides for income taxes using the asset and liability method as prescribed by Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Income Taxes - As of June 30, 2004 the Company had a net operating loss carryforward of \$37,940, which expires in varying amounts from 2012 to 2015. Generally, these operating losses are available to offset future federal and state taxable income.

Loss per Common Share - Loss per common share is computed using the weighted average number of common shares outstanding during each period.

Statement of Cash Flows - For purposes of the statement of cash flows, the Company considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Comprehensive Income - The Company adopted Statement of Financial Accounting Standards (SFAS) No. 130 Reporting Comprehensive Income, effective April 1, 1998. SFAS No. 130 establishes standards for reporting comprehensive income and its components (revenues, expenses, gains and losses). Components of comprehensive income are net income and all other non-owner changes in equity. SFAS No. 130 requires an enterprise to (a) classify items of other comprehensive income by their nature in a financial statement, and (b) display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of a statement of financial position. The Company has no items of comprehensive income at September 30, 2004.

Edgar Filing: AZONIC CORP - Form 10QSB

NOTE 3: RELATED PARTY TRANSACTIONS

The Company's corporate offices are located in the offices of its principal stockholder, Infinity Capital Group, Inc. (hereinafter "Infinity") and that of its President, CEO and Chairman of the Board Greg Laborde on a rent-free basis. Furthermore, all legal and accounting costs with the exception of the work prepared by the independent auditors are paid for and provided without charge to the Company by SEC Attorneys, LLC of North Haven, Connecticut, a corporate entity which provides such services to Infinity Capital Group, Inc, its principal shareholder.

F-6

NOTE 4: STOCKHOLDERS' EQUITY

Capital Structure - The Company was originally incorporated under Colorado law on May 1, 1996, under the name of Grand Canyon Ventures Two, Incorporated. On June 23, 1998, the Company amended its Articles of Incorporation and changed its name to Azonic Engineering, Incorporated. On September 17, 1999, Azonic Corporation was formed in Nevada. On November 12, 1999 Azonic Engineering, Incorporated was merged into Azonic Corporation. The surviving capital structure now consists of 55 million shares of \$.001 par value stock, of which 50 million shares are designated as common stock and 5 million shares are designated as preferred stock. Stockholders' equity has been restated from inception to conform to the current capital structure.

Preferred Stock - No shares of the Company's preferred stock have been issued as of September 30, 2004. Dividends, voting rights and other terms, rights and preferences have not been designated. The Company's board of directors may establish these provisions from time to time.

Common Stock - 1,000,000 shares of common stock have been issued at \$0.00005 in exchange for services performed and costs advanced to organize the Company in May 1996.

On August 10, 1999, the board of directors authorized the issuance of 5,000,000 shares of common stock at \$0.00005 per share to the Company's president in exchange for services valued at \$250.

F-7

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements and information relating to Azonic that are based on the beliefs of its management as well as assumptions made by and information currently available to its management. When used in this report, the words "anticipate," "believe," "estimate," "expect," "intend," "plan" and similar expressions, as they relate to Azonic or its management, are intended to identify forward-looking statements. These statements reflect management's current view of Azonic concerning future events and are subject to certain risks, uncertainties and assumptions, including among many others: a general economic downturn; a downturn in the securities markets; a general lack of interest for any reason in going public by means of transactions involving public blank check companies; federal or state laws or regulations having an adverse effect on blank check companies, Securities and Exchange Commission regulations which affect trading in the securities of "penny stocks," and other risks and uncertainties. Should any of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this report as

Edgar Filing: AZONIC CORP - Form 10QSB

anticipated, estimated or expected. Readers should realize that Azonic is in the development stage, with virtually no assets, and that for Azonic to succeed requires that it either originate a successful business (for which it lacks the funds) or acquire a successful business. Azonic's realization of its business aims as stated herein will depend in the near future principally on the successful completion of its acquisition of a business, as discussed below.

Item 2. Management's Discussion and Analysis or Plan of Operation.

BACKGROUND. Azonic was incorporated in the State of Colorado on May 1, 1996 as Grand Canyon Ventures Two, Incorporated. The Company changed its name to Azonic Engineering Corporation on June 23, 1998. On November 12, 1999, it was redomiciled to the State of Nevada by merging into its wholly owned subsidiary Azonic Corporation ("Company"), a Nevada corporation, which now is the name of the Company.

The Company is in the development stage in accordance with Financial Accounting Standards Board Standard No. 7. The Company has not been operational, other than described below, nor had revenues other than interest income since its inception.

10

RESULTS OF OPERATIONS FOR QUARTER ENDED JUNE 30, 2004 COMPARED TO SAME QUARTER IN 2003

The Company had no revenues during the first fiscal quarter in 2004 and 2003 - During the fiscal quarter ended June 30, 2004, Azonic incurred a net loss of \$18,754, due to expenses to pursue its business development, compared to the fiscal quarter ended June 30, 2003, when Azonic incurred a net loss of \$1,500. The Company paid no rent or salaries and had no operations during the quarter. The net loss per share was nominal in the period in 2004 and 2003.

LIQUIDITY and CAPITAL RESOURCES

The Company's corporate offices are located in the offices of its principal stockholder, Infinity Capital Group, Inc. (hereinafter "Infinity") and that of its President, CEO and Chairman of the Board Greg Laborde on a rent-free basis. Furthermore, all legal and accounting costs with the exception of the work prepared by Infinity Capital Group, Inc, the principal shareholder. Azonic had minimal cash on hand at the end of the quarter and had no other assets to meet ongoing expenses or debts that may accumulate. Since inception, Azonic has accumulated a deficit (net loss) of \$(37,940).

11

Azonic has no commitment for any capital expenditure. However, Azonic will incur routine fees and expenses incident to its reporting duties as a public company, and it will incur expenses developing its Business Plan and Azonic's cash requirements for the next twelve months are relatively modest, principally accounting expenses and other expenses relating to making filings required under the Securities Exchange Act of 1934 (the "Exchange Act"), which should not exceed \$40,000 in the fiscal year ending March 31, 2005. Any travel, lodging or other expenses which may arise related to finding, investigating and attempting to complete a combination with one or more potential acquisitions could also amount to thousands of dollars.

Edgar Filing: AZONIC CORP - Form 10QSB

Azonic's current management and its counsel have informally agreed to continue rendering services to Azonic and to not demand payment of sums owed unless and until Azonic completes funding. The terms of any such payment will have to be negotiated with the principals of any business acquired. The existence and amounts of Azonic debt may make it more difficult to complete, or prevent completion of, a desirable acquisition. In addition, offices are provided to Azonic without charge.

Azonic will only be able to pay its future debts and meet operating expenses by raising additional funds, acquiring a profitable company or otherwise generating positive cash flow. As a practical matter, Azonic is unlikely to generate positive cash flow by any means other than acquiring a company with such cash flow. Azonic believes that management members or shareholders will loan funds to Azonic as needed for operations prior to completion of an acquisition. Management and the shareholders are not obligated to provide funds to Azonic, however, and it is not certain they will always want or be financially able to do so. Azonic shareholders and management members who advance money to Azonic to cover operating expenses will expect to be reimbursed, either by Azonic or by the company acquired, prior to or at the time of completing a combination. Azonic has no intention of borrowing money to reimburse or pay salaries to any Azonic officer, director or shareholder or their affiliates. There currently are no plans to sell additional securities of Azonic to raise capital, although sales of securities may be necessary to obtain needed funds. Azonic's current management and its counsel have agreed to continue their services to Azonic and to accrue sums owed them for services and expenses and expect payment reimbursement only.

Should existing management or shareholders refuse to advance needed funds, however, Azonic would be forced to turn to outside parties to either loan money to Azonic or buy Azonic securities. There is no assurance whatever that Azonic will be able at need to raise necessary funds from outside sources. Such a lack of funds could result in severe consequences to Azonic, including among others:

(1) failure to make timely filings with the SEC as required by the Exchange Act, which also probably would result in suspension of trading or quotation in Azonic's stock and could result in fines and penalties to Azonic under the Exchange Act;

12

or (2) inability to complete its business plan due to lack of funds to pay legal and accounting fees and business-related expenses.

Item 3. Controls and Procedures

a. Evaluation of Disclosure Controls and Procedures:

Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports filed under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon and as of the date of that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and

Edgar Filing: AZONIC CORP - Form 10QSB

procedures are effective to ensure that information required to be disclosed in the reports the Company files and submits under the Exchange Act is recorded, processed, summarized and reported as and when required.

b. Changes in Internal Control over Financial Reporting:

There were no changes in the Company's internal control over financial reporting identified in connection with the Company evaluation of these controls as of the end of the period covered by this report that could have significantly affected those controls subsequent to the date of the evaluation referred to in the previous paragraph, including any correction action with regard to significant deficiencies and material weakness.

PART II -- OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

13

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits - Exhibits 31 and 32 (Sarbanes-Oxley)

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this Report on Form 10-QSB to be signed on its behalf by the undersigned, thereunto duly authorized.

DATED: August 17, 2004

AZONIC CORPORATION

By: /s/ Greg Laborde

Greg Laborde, President

