

Edgar Filing: WEBTRONICS INC - Form 10QSB

WEBTRONICS INC
Form 10QSB
November 14, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2002

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No.: 33-63474

WEBTRONICS, INC.

(Name of small business issuer in its charter)

Florida

65-1106840

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

Suite 620, 420 Lexington Avenue,
New York, New York

10170

(Address of principal executive offices)

(Zip Code)

Issuer's telephone number: 212-672-9190

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) 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 No
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The number of shares of stock outstanding at November 14, 2002: 1,054,500 shares of Common Stock; par value \$.0001 per share.

Transitional Small Business Disclosure Format (check one)

Yes No
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WEBTRONICS, INC.
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEETS
SEPTEMBER 30, 2002 AND DECEMBER 31, 2001

	ASSETS	
	2002	2001
	-----	-----
Current Assets:		(audited)
Cash	\$ 295	\$ 2,385
	-----	-----
Total Assets	\$ 295	\$ 2,385
	=====	=====
	LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities:		
Account payable	\$ -0-	\$ -0-
	-----	-----
Total Liabilities	-0-	-0-
	-----	-----
Stockholders' Equity:		
Common Stock \$.0001 par value, 50,000,000 authorized; 1,054,500 shares issued and outstanding	\$ 105	\$ 105
Additional paid in capital	2,720	2,720
Accumulated Deficit during development stage	(2,530)	(440)
	-----	-----
Total Stockholders' Equity (deficiency)	295	2,385
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 295	\$ 2,385
	=====	=====

See accompanying notes to financial statements

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	Nine months ended		February 2, 2002
	September 30, 2002	September 30, 2001	(Inception) to September 30, 2002
Revenue	\$ -0-	\$ -0-	\$ -0-
Expenses	2,090	188	2,530
Net income (loss) before provision for income taxes	\$ (2,090)	\$ (188)	\$ (2,530)
Provisions for income taxes	-0-	-0-	-0-
Net income (loss)	\$ (2,090)	\$ (188)	\$ (2,530)
Net (Loss) per weighted average of shares	\$ (.002)	\$ (0.00)	\$ (.002)
Weighted average of shares	1,054,500	1,054,500	1,054,500

See accompanying notes to financial statements

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WEBTRONICS, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF OPERATIONS

	Three months ended		February 2, 2002
	September 30, 2002	September 30, 2001	(Inception) to September 30, 2002
Revenue	\$ -0-	\$ -0-	\$ -0-
Expenses	42	188	2,530
Net income (loss) before provision for income taxes	\$ (42)	\$ (188)	\$ (2,530)
Provisions for income taxes	(42)	(188)	(2,530)

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Net income (loss)	\$ (42)	\$ (188)	\$ (2,
	=====	=====	=====
Net (Loss) per weighted average of shares	\$ (.000)	\$ (0.00)	\$ (.
	=====	=====	=====
Weighted average of shares	1,054,500	1,054,500	1,054,
	=====	=====	=====

See accompanying notes to financial statements

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WEBTRONICS, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF CASH FLOWS

	For the nine months ended September 30, 2002	For the nine months ended September 30, 2001	February 2, 2001 (Inception) to September 30, 2002
	-----	-----	-----
Cash Flows from operations:			
Net income (loss)	\$ (90)	\$ (188)	\$ (2,530)
	-----	-----	-----
Net cash used for operations	(90)	(188)	(2,530)
	-----	-----	-----
Net (decrease) in cash	(90)	(188)	(2,530)
Cash - beginning	2,385	2,825	2,825
	-----	-----	-----
Cash - ending	\$ 295	\$ 2,637	\$ 295
	=====	=====	=====

See accompanying notes to financial statements

WEBTRONICS, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES
Organization and Operations

The Company was incorporated under the laws of the State of Florida on February 2, 2001.

The Company is in the development stage. The Company plans to develop a website where individuals can obtain foreclosure of real estate and related mortgage information. The Company currently has no operations.

Basis of Accounting

The Company's policy is to prepare its financial statements using the accrual basis of accounting in accordance with generally accepted accounting principles. The Company has elected December 31 at its annual year-end.

Interim Financial Information

The condensed unaudited interim financial statements included herein have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. The condensed financial statements and notes are presented as permitted in regulation SB and do not contain information included in the Company's annual statements and notes. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulation, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed financial statements be read in conjunction with the December 31, 2001 audited financial statements and the accompanying notes thereto. While management believes the procedures followed in preparing these condensed financial statements are reasonable, the accuracy of the amounts are in some respect dependent upon the facts that will exist, and procedures that will be accomplished by the Company later in the year.

These condensed unaudited financial statements reflect all adjustments, including normal recurring adjustments which, in the opinion of management, are necessary to present fairly the consolidated operations and cash flows for the periods presented.

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WEBTRONICS, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, the 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.

Cash and Equivalent

Cash and cash equivalents include cash and cash in banks. The Company maintains cash and cash equivalent balances at a financial institution that is insured by the Federal Deposit Insurance Corporation up to \$100,000.

Organization Costs

The Company has incurred various expenditures in the formation of its corporate and organizational structure. In accordance with SOP98-5 these costs will be expenses as incurred.

Revenue Recognition

The Company will recognize revenue upon completion of its services to be rendered or delivery of products to its customers. The Company has not generated revenues since inception.

Development Stage

The Company is in its development stage. The Company since inception has not commenced its operations, nor has generated sufficient working capital to pursue its business objectives. The accumulated deficit during its development stage is \$2,488.

Net Earnings (Losses) Per Share

The Company reports its net earnings (losses) per share in accordance with SFAS No. 128 "Earnings Per Share". Basic net earnings (losses) per share is computed by dividing net income (loss) available to common stockholders by the weighted averaged number of common shares outstanding.

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(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Diluted earnings (losses) per share is computed similar to basic earnings (losses) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding. As of September 30, 2002, there are no outstanding stock options or stock warrants that would have affected our computation.

NOTE 2 - INCOME TAX

In February 1992, the Financial Standards Board issued Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Under SFAS No. 109, deferred assets and liabilities are recognized for the estimated future tax consequences between the financial statement carrying amounts of the existing assets and their respective basis.

Deferred assets and liabilities are measured using enacted tax rates in effect for the year in which temporary differences are expected to be recovered or settled. Under SFAS No. 109, the effect on deferred assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

NOTE 3 - CAPITAL TRANSACTIONS

On March 15, 2002, certain shareholders entered into a Stock Purchase Agreement with Callisto Pharmaceuticals, Inc. In such agreement, "Callisto" purchased approximately 99.7% of its issued and outstanding stock. A Form 8-K was filed on March 19, 2002 reporting the change in control of the registrant. No change to the capital position of the Company occurred due to this transaction.

NOTE 4 - PUBLIC REGISTRATION

The Company SB-2 registration was accepted by the Securities and Exchange Commission on September 24, 2001. It is listed on the OTC bulletin board under the symbol WEBR. Management paid for all expenses of registering the securities.

PART 1

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

Plan of Operation

We anticipate that we will meet our cash requirements for the foreseeable future with current cash and through the financial support of our current shareholders. However, during the next twelve months, we plan to satisfy our cash requirement by additional equity financing.

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In order to conserve available cash, the Company has removed its temporary website. Additional website construction is needed and will include but not be limited to indexing with numerous search engines, addition of mortgage payment calculators, mortgage amortization calculators and other related mortgage analysis tools. Our plan to focus on developing and executing our interactive e commerce website that will offer our visitors a 24 hour access to mortgage and foreclosure information.

The Company plans on contacting mortgage broker, mortgage bankers, and other lenders to provide referrals to consumers accessing the Company's website.

ITEM 3 - Controls and Procedures.

Within the 90-day period prior to the filing date of this report (the "Evaluation Date"), the Company's President (who acts as the Company's principal executive officer and principal financial officer) carried out an evaluation of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) of the Securities Exchange Act of 1934, as amended). Based on that evaluation, the President concluded that the Company's disclosure controls and procedures are adequate and effective. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of that evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II

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.

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ITEM 5 - Other Information.

None.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K.

A) Exhibits.

Exhibit 99.1 Certification of President.

B) Reports on Form 8-K.

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None.

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Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WEBTRONICS, INC.

DATED: November 14, 2002

By: /s/ Yanina Wachtfogel

Yanina Wachtfogel
President and Director

CERTIFICATIONS

I, Yanina Wachtfogel, certify that:

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

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

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

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

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

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

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

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit

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committee of registrant's board of directors (or persons performing the equivalent functions);

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

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

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

Date November 14, 2002

By /s/ Yanina Wachtfogel

(Signature and Title)