

Edgar Filing: NATIONAL HEALTHCARE TECHNOLOGY INC - Form 10QSB

NATIONAL HEALTHCARE TECHNOLOGY INC

Form 10QSB

May 24, 2004

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended March 31, 2004

OR

☐ [ ] TRANSITION REPORT UNDER SECTION 13 OF 15(d) OF THE EXCHANGE ACT OF 1934

From the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 01-28911

NATIONAL HEALTHCARE TECHNOLOGY, INC.

-----  
(Exact name of small business issuer as specified in its charter)

Colorado

91-1869677

-----  
(State or other jurisdiction  
of incorporation or organization)

(IRS Employer Identification No.)

20700 Ventura Boulevard, #227, Woodland Hills, California 91364

-----  
(Address of principal executive offices)

(818) 277-9494

-----  
(Issuer's telephone number)

N/A

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

Indicate by check mark whether the registrant (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: ☒ [X] No: ☐ \_\_\_\_

As of March 31, 2004 there were 7,855,500 shares of Common Stock of the issuer  
outstanding.

NATIONAL HEALTHCARE TECHNOLOGY, INC.  
(A DEVELOPMENT STAGE COMPANY)  
BALANCE SHEET

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March 31, 2004  
(Unaudited)

Assets	\$	--
	=====	

## LIABILITIES AND STOCKHOLDERS' DEFICIT

### Current liabilities

#### Accounts payable:

Trade	\$	60,157
Crown Partners', Inc.		88,809
		-----
Total current liabilities		148,966

### STOCKHOLDERS' DEFICIT:

Preferred stock, \$.01 par value, 500,000,000 shares authorized, no shares issued and outstanding	--
Common stock, \$.001 par value, 25,000,000 shares authorized, 7,855,500 shares issued and outstanding	7,855
Additional paid in capital	1,237,439
Accumulated deficit	(1,394,260)
	-----
Total Stockholders' Deficit	(148,966)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$	--
	=====	

## NATIONAL HEALTHCARE TECHNOLOGY, INC. (A DEVELOPMENT STAGE COMPANY) STATEMENTS OF OPERATIONS Three and Six Months Ended March 31, (Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2004	2003	2004	
	-----	-----	-----	-----
Revenue	\$ --	\$ --	\$ --	\$ --
Expenses:				
Development costs	--	--	--	
General and administrative	2,892	375	13,327	
	-----	-----	-----	-----
	2,892	375	13,327	
	-----	-----	-----	-----
Net loss before income taxes	(2,892)	(375)	(13,327)	
	-----	-----	-----	-----
Income taxes	--	--	--	

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Net loss	\$ (2,892)	\$ (375)	\$ (13,327)	\$
	=====	=====	=====	==
Basic net loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$
	=====	=====	=====	==
Weighted average shares outstanding	7,855,500	7,855,500	7,855,500	
	=====	=====	=====	==

NATIONAL HEALTHCARE TECHNOLOGY, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
Three Months Ended March 31,  
(Unaudited)

	Six Months Ended March 31,	
	2004	2003
	-----	-----
Cash flows from operating activities:		
Net loss	\$ (13,327)	\$ (5,250)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	--	--
Common stock issued for settlement of interest expense	--	--
Common stock issued for services	--	--
Loss on abandoned assets	--	--
Gain on sale of assets	--	--
Income from sale of abandoned assets	--	--
Changes in operating assets and liabilities		
Accounts payable	13,327	5,250
	-----	-----
Net cash used in operating activities	--	--
	-----	-----
Cash flows from investing activities:		
Purchase of property and equipment	--	--
Proceeds from the sale of equipment	--	--
	-----	-----
Net cash provided by (used in) investing activities	--	--
	-----	-----
Cash flows from financing activities:		
Proceeds from notes payable	--	--
Payments on notes payable	--	--
Proceeds from the sale of common stock, net	--	--
	-----	-----
Net cash provided by financing activities	--	--
	-----	-----
Net increase (decrease) in cash and cash equivalents	--	--
Cash at beginning of period	--	--

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Cash at end of period

-----  
\$           --  
=====

-----  
\$           --  
=====

## NATIONAL HEALTHCARE TECHNOLOGY, INC. (A DEVELOPMENT STAGE COMPANY) NOTES TO FINANCIAL STATEMENTS (unaudited)

### Note 1 - BASIS OF PRESENTATION

The balance sheet of the Company as of March 31, 2004, the related statements of operations for the three months and six months ended March 31, 2004 and 2003 and the statements of cash flows for the six months ended March 31, 2004 and 2003 included in the financial statements have been prepared by the Company without audit. In the opinion of management, the accompanying financial statements include all adjustments (consisting of normal, recurring adjustments) necessary to summarize fairly the Company's financial position and results of operations. The results of operations for the three months ended December 31, 2003 are not necessarily indicative of the results of operations for the full year or any other interim period. The information included in this Form 10-QSB should be read in conjunction with Management's Discussion and Analysis and Financial Statements and notes thereto included in the Company's September 30, 2003 Form 10-KSB.

### Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

This report contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. The Company's actual results could differ materially from those set forth on the forward looking statements as a result of the risks set forth in the Company's filings with the Securities and Exchange Commission, general economic conditions, and changes in the assumptions used in making such forward looking statements.

#### GENERAL

National Healthcare Technology, Inc. (the "Company") was organized February 29, 1996 as "Patriot Holding Corporation" and subsequently changed its name to "National Healthcare Technology, Inc." on August 26, 1996. Between 1996 and 1999, the Company was unsuccessful in raising sufficient capital to begin and complete a proposed double-blind study of an intravenous drug called Magkelate. The Company did raise \$1,000,000 which was used to pay its operating expenses and general and administrative expenses as well as expenses related to starting the double-blind study. Following its inability to raise capital and needing to conserve its financial resources, the Company dismissed all of its employees in early 1999. The developer of Magkelate passed away in the fall of 1999 and the Magkelate patent has expired. Since 1999, the Company has been substantially inactive. The Company is in the development stage as defined in Statement of Financial Accounting Standards No. 7.

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When used in this Form 10-QSB, the words "anticipate", "estimate", "expect", "project" and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions including the possibility that the Company's proposed plan of operation will fail to generate projected revenues. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected.

### LIQUIDITY AND CAPITAL RESOURCES

The Company is in the development stage and since inception has experienced no significant change in liquidity or capital resources or stockholders equity other than the receipt of \$1,000,000 from an offering conducted under Rule 504 of Regulation D in 1997. The Company's balance sheet as of March 31, 2004 reflects no assets and limited liabilities. Further, there exists no agreements or understandings with regard to loan agreements by or with the Officers, Directors, principals, affiliates or shareholders of the Company.

The Company is continuing to search for suitable merger candidates or other businesses to become involved in so that it can commence operations and generate revenues to continue paying its bills.

The Company will attempt to carry out its plan of business and hopes to enter into a business combination with another entity. The Company cannot predict to what extent its lack of liquidity and capital resources will hinder its business plan prior to the consummation of a business combination.

### RESULTS OF OPERATIONS

During the period from November 5, 1989 (inception) through March 31, 2004, the Company engaged in limited operations and attempted to initiate its double blind study of its drug, Magkelate. The Company received no revenues during this period. The capital raised was expended for general office and administrative expenses and the proposed double-blind study of Magkelate, which double-blind study the Company was unable to start due to lack of capital.

For the six months ended March 31, 2004, the Company had no revenue and its expenses were \$13,327 resulting in a net loss for the six months of \$13,327 compared to no revenue and expenses of \$5,250 for the six months ended March 31, 2003 and a net loss of \$5,250 for the six months then ended.

The Company anticipates that until a business combination is completed with an acquisition candidate, it will not generate revenue and may operate at a loss after completing a business combination, depending upon the performance of the acquired business.

The Company will attempt to carry out its business plan as discussed above. The Company cannot predict to what extent its lack of liquidity and capital resources will hinder its business plan prior to the consummation of a business combination.

### NEED FOR ADDITIONAL FINANCING

The Company's existing capital will not be sufficient to meet the Company's cash needs, including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934, as amended. Once a business combination is completed, the Company's need for additional financing is likely

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to increase substantially. No commitments to provide additional funds have been made by management or other stockholders. Accordingly, there can be no assurance that any funds will be available to the Company to allow it to cover its expenses.

The Company might seek to compensate providers of services by issuances of stock in lieu of cash.

### DESCRIPTION OF PROPERTIES

The Company presently has no office space.

### EMPLOYEES

As of December 31, 2003, the Company had no employees.

### ITEM 3. CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in company reports filed or submitted under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer (the "Certifying Officers"), as appropriate to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, the Certifying Officers carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of December 31, 2003. Their evaluation was carried out with the participation of other members of the Company's management. Based upon their evaluation, the Certifying Officers concluded that the Company's disclosure controls and procedures were effective.

The Company's internal control over financial reporting is a process designed by, or under the supervision of, the Certifying Officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of the Company's financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the Company's assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Company's financial statements in accordance with generally accepted accounting principles, and that the Company's receipts and expenditures are being made only in accordance with the authorization of the Company's Board of Directors and management; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements. There has been no change in the Company's internal control over financial reporting that occurred in the quarter ended December 31, 2003, that has materially affected, or is reasonably likely to affect, the Company's internal control over financial reporting.

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## PART II

Items No. 1, 2, 3, 4, 5 - Not Applicable.

Item No. 6 - Exhibits and Reports on Form 8-K

(a) No reports on Form 8-K were filed during the three months ended December 31, 2003.

(b) Exhibits

Exhibit  
Number  
-----

Name of Exhibit  
-----

- |      |  |
|------|--|
| 31.1 | Certification of Chief Executive Officer, pursuant to Rule 13a-14(a) of the Exchange Act, as enacted by Section 302 of the Sarbanes-Oxley Act of 2002.                             |
| 31.2 | Certification of Chief Financial Officer, pursuant to Rule 13a-14(a) of the Exchange Act, as enacted by Section 302 of the Sarbanes-Oxley Act of 2002.                             |
| 32.1 | Certification of Chief Executive Officer and Chief Financial Officer, pursuant to 18 United States Code Section 1350, as enacted by Section 906 of the Sarbanes-Oxley Act of 2002. |

## SIGNATURES

In accordance with the requirements 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.

NATIONAL HEALTHCARE TECHNOLOGY, INC.

By /s/ Charles Smith

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Charles Smith, CEO and CFO

Date: May 22, 2004