

APOGEE ROBOTICS INC
Form 10QSB
May 20, 2008

U. S. Securities and Exchange Commission
Washington, D. C. 20549

FORM 10-QSB

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

For the quarterly period ended March 31, 2008

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

For the transition period from _____ to _____

Commission File No. 0-12792

APOGEE ROBOTICS, INC.
(Name of Small Business Issuer in its Charter)

Delaware
(State or Other Jurisdiction of incorporation or
organization)

84-0916585
(I.R.S. Employer I.D. No.)

222 Babcock Street, Suite 3B, Brookline, MA 02446
(Address of Principal Executive Offices)

Issuer's Telephone Number: (617) 905-3273

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes ☒ No ☐

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

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Small reporting company
x

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APPLICABLE ONLY TO CORPORATE ISSUERS: Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date:

May 19, 2008

Common Voting Stock: 993,900

Transitional Small Business Disclosure Format (check one):

Yes ☐ No ☒

Apogee Robotics, Inc.
Balance Sheets

	March 31, 2008 (Unaudited)	June 30 2007
Assets		
Current Assets		
Cash	\$ -	\$ -
Total Current Assets	-	-
Total Assets	\$ -	\$ -
Liabilities & Stockholders' Equity		
Current Liabilities		
Accounts payable	-	15,000
Accrued expense	-	20,000
Total Current Liabilities	-	35,000
Stockholders' Equity		
Common stock - 300,000,000 shares authorized, \$0.001 par value, 993,900 shares issued & outstanding	994	-
Additional paid-in-capital	91,082	40,000
Subscription receivable	-	(31,494)
Accumulated deficit	(92,076)	(43,506)
Total Stockholders' Equity	-	(35,000)
Total Liabilities & Stockholders' Equity	\$ -	\$ -

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

Apogee Robotics Inc.
(As Successor)
Statement of Operations
(unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2008	2007	2008	2007
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Costs & Expenses:				
Costs of goods sold	0	0	0	0
General & administrative	8,646	1,200	48,570	2,135
Other	0	0	0	0
Interest	0	0	0	0
Total Costs & Expenses	8,646	1,200	48,570	2,135
Net Loss	\$ (8,646)	\$ (1,200)	\$ (48,570)	\$ (2,135)
Basic and diluted per share amounts:				
Continuing operations	Nil	Nil	\$ (0.05)	Nil
Basic and diluted net income (loss)	\$ 0.00	\$ (0.00)	\$ (0.05)	\$ (0.01)
Weighted average shares outstanding (basic & diluted)	993,900	531,900	993,900	419,083

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

Apogee Robotics, Inc.
(As Successor)
Statement of Cash Flows
(unaudited)

	Nine Months Ended March. 31,	
	2008	2007
Cash flows from operating activities:		
Net Income (loss)	\$ (48,570)	\$ (1,200)
Adjustments required to reconcile net loss to cash used in operating activities:		
Depreciation		
Expenses paid by shareholder	76	0
Fair value of services provided by related parties	17,000	0
Increase (decrease) in accounts payable & accrued expenses	0	1,200
Cash flows used by operating activities:	(31,494)	0
Cash used in investing activities	0	0
Cash flows from financing activities:		
Proceeds from issuance of common stock	31,494	0
Cash generated by financing activities	31,494	0
Change in cash	0	0
Cash-beginning of period	0	0
Cash-end of period	\$ 0	\$ 0

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

APOGEE ROBOTICS, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008
(UNAUDITED)

1. BASIS OF PRESENTATION

Apogee Robotics, Inc. ("Apogee" or the "Company") was founded as a Colorado corporation on June 29, 1983 and was reinstated by Colorado on March 15, 2007. Prior to filing for Chapter 11 bankruptcy on December 9, 1994, Apogee developed advanced material handling systems utilizing automatic guided vehicle systems ("AGVS"), for use in manufacturing plants, warehouses, offices and other facilities. Apogee's AGVS were computer or microprocessor controlled, driverless vehicles equipped with various material handling devices to automatically transport materials for pick-up to various destinations under the supervision of computer systems.

For at least the past approximate ten years, the registrant has not engaged in any business operations. In addition, on or about April 1, 1998 the Colorado Secretary of State revoked the registrant's corporate charter. Accordingly, the registrant had abandoned its business.

The Financial Statements presented herein have been prepared by us in accordance with the accounting policies described in our June 30, 2007 Annual Report on Form 10-KSB and should be read in conjunction with the Notes to Consolidated Financial Statements which appear in that report.

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on going basis, we evaluate our estimates, including those related intangible assets, income taxes, insurance obligations and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other resources. Actual results May differ from these estimates under different assumptions or conditions. In the opinion of Management, the information furnished in this Form 10-QSB reflects all adjustments necessary for a fair statement of the financial position and results of operations and cash flows as of and for the three and nine-month periods ended March 31, 2008 and 2007. All such adjustments are of a normal recurring nature. The Consolidated Financial Statements have been prepared in accordance with the instructions to Form 10-QSB and therefore do not include some information and notes necessary to conform with annual reporting requirements.

"FRESH START" ACCOUNTING: On June 17, 1997 all assets were transferred to the Chapter 7 trustee in settlement of all outstanding corporate obligations. We adopted fresh-start" accounting as of June 18, 1997 in accordance with procedures specified by AICPA Statement of Position ("SOP") No. 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code."

APOGEE ROBOTICS, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008
(UNAUDITED)

1. BASIS OF PRESENTATION (Continued)

All results for periods subsequent to June 17, 1997 are referred to as those of the "Successor Company".

In accordance with SOP No. 90-7, the reorganized value of the Company was allocated to the Company's assets based on procedures specified by SFAS No. 141, "Business Combinations". Each liability existing at the plan sale date, other than deferred taxes, was stated at the present value of the amounts to be paid at appropriate market rates. It was determined that the Company's reorganization value computed immediately before June 17, 1997 was \$0. We adopted "fresh-start" accounting because holders of existing voting shares immediately before filing and confirmation of the sale received less than 50% of the voting shares of the emerging entity and its reorganization value is less than its post-petition liabilities and allowed claims.

2. COURT PROCEEDINGS:

On June 17, 1997, the Registrant filed a voluntary Chapter 11 petition under the U.S. Bankruptcy Code in the U.S. Bankruptcy Court District of Colorado was converted to Chapter 7 (case no. 94-22193). On March 05, 2007 this Chapter 7 bankruptcy was closed by the U.S. Bankruptcy Court District of Colorado.

On February 6, 2007, Larimer County Court, Colorado approved an Order granting the custodianship of the company to CSII. The appointment requires the custodian to continue the business of the corporation and not to liquidate its affairs or distribute its assets. The material terms of the transaction confirmed by the Larimer County Court generally authorize CSII to appoint new members to the Registrant's board of directors and to take any and all actions on behalf of the Company permitted by Colorado Statutes Section 7-114-303, including actions to:

- IXI settle affairs, collect outstanding debts, sell and convey property, real and personal
- IXIdemand, sue for, collect, receive and take into his or their possession all the goods and chattels, rights and credits, moneys and effects, lands and tenements, books, papers, choses in action, bills, notes and property, of every description of the corporation
- IXIinstitute suits at law or in equity for the recovery of any estate, property, Damages or demands existing in favor of the corporation
- IXIexercise the rights and authority of a Board of Directors and Officers in accordance with state law, the articles and bylaws

The accounts of the former subsidiaries were not included and have not been carried forward.

APOGEE ROBOTICS, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008
(UNAUDITED)

2. COURT PROCEEDINGS (Continued)

RESULTANT CHANGE IN CONTROL: On March 16, 2007 Apogee issued 31,500,000 shares to CSII or 63% of outstanding common shares. In connection with the Order confirming custodianship of the company to CSII approved on February 6, 2007, Michael Anthony became our sole director on March 15, 2007.

Mr. Anthony is the managing member of CSII and has sole voting and dispositive control.

3. EARNINGS/LOSS PER SHARE

Basic earnings per share is computed by dividing income available to common shareholders (the numerator) by the weighted-average number of common shares outstanding (the denominator) for the period. Diluted earnings per share assume that any dilutive convertible securities outstanding were converted, with related preferred stock dividend requirements and outstanding common shares adjusted accordingly. It also assumes that outstanding common shares were increased by shares issuable upon exercise of those stock options for which market price exceeds the exercise price, less shares which could have been purchased by us with the related proceeds. In periods of losses, diluted loss per share is computed on the same basis as basic loss per share as the inclusion of any other potential shares outstanding would be anti-dilutive.

4. NEW ACCOUNTING STANDARDS

On January 1, 2006, we adopted the provisions of Statement of Financial Accounting Standards ("SFAS") 123R, "Share-Based Payment" ("SFAS 123(R)"), which requires that companies measure and recognize compensation expense at an amount equal to the fair value of share-based payments granted under compensation arrangements. Prior to January 1, 2006, we accounted for our stock-based compensation plans under the recognition and measurement principles of Accounting Principles Board ("APB") Opinion 25, "Accounting for Stock Issued to Employees," and related interpretations, and would typically recognize no compensation expense for stock option grants if options granted had an exercise price equal to the market value of the underlying common stock on the date of grant.

We adopted SFAS 123(R) using the "modified prospective" method, which results in no restatement of prior period amounts. Under this method, the provisions of SFAS 123(R) apply to all awards granted or modified after the date of adoption. In addition, compensation expense must be recognized for any unvested stock option awards outstanding as of the date of adoption on a straight-line basis over the remaining vesting period. We calculate the fair value of options using a Black-Scholes option pricing Model. We do not currently have any outstanding options subject to future vesting therefore no charge is required for the nine months ended March 31, 2008 and 2007. SFAS 123(R) also requires the benefits of tax deductions in excess of recognized compensation expense to be reported in the Statement of Cash Flows as a financing cash inflow rather than an operating cash inflow. In addition, SFAS 123(R) required a modification to the Company's calculation of the dilutive effect of stock option awards on earnings per share. For companies that adopt SFAS 123(R) using the "modified prospective" method, disclosure of pro forma information for periods prior to adoption must continue to be made.

APOGEE ROBOTICS, INC.
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4. NEW ACCOUNTING STANDARDS (Continued)

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections," which replaces APB Opinion No. 20 "Accounting Changes," and FASB Statement No. 3 "Reporting Accounting Changes in Interim Financial Statements," and changes the requirements for the accounting for and reporting of a change in accounting principle. This Statement requires retrospective application to prior periods' financial statements of changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. This Statement shall be effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. Early adoption is permitted for accounting changes and corrections of errors made in fiscal years beginning after the date this Statement is issued. We do not believe that adoption of SFAS 154 will have a material impact on our financial statements.

In September 2006, the SEC staff issued Staff Accounting Bulletin No. 108, CONSIDERING THE EFFECTS OF PRIOR YEAR MISSTATEMENTS WHEN QUANTIFYING MISSTATEMENTS IN CURRENT YEAR FINANCIAL STATEMENTS ("SAB 108"). SAB 108 establishes an approach that requires quantification of financial statement misstatements based on the effects of the misstatements on each of the Company's consolidated financial statements and the related financial statement disclosures. SAB 108 is effective for the year beginning July 1, 2007. We are currently evaluating the effect that the adoption of SAB 108 will have on our results of operations and financial condition.

In June 2006, the FASB issued FASB Interpretation No. 48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES--AN INTERPRETATION OF FASB STATEMENT 109 ("FIN 48"), which clarifies the accounting for uncertain tax positions. This Interpretation allows the tax effects from an uncertain tax position to be recognized in the Company's financial statements if the position is more likely than not to be sustained upon audit, based on the technical merits of the position. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. We do not expect the adoption of FIN 48 to have a material impact on our financial statements.

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5. STOCKHOLDERS' EQUITY

COMMON STOCK:

The Company's Board of Directors and shareholders approved a change of domicile from Colorado to Delaware on December 6, 2007. In connection with the Company's change of domicile from Colorado to Delaware, the Company's authorized capital stock was changed to increase the authorized capital stock to 310,000,000 of which 300,000,000 will be classified as common stock, par value \$0.001 per share, and 10,000,000 will be classified as Preferred Stock, par value \$0.001 per share, issuable in series with such powers, designations, preferences and relative, participating, optional or other specific rights, and qualifications, limitations or restrictions thereof, as the Board may fix from time to time by resolution or resolutions.

REVERSE STOCK SPLIT:

On January 7, 2008 we declared a reverse split of our common stock. The formula provided that every fifty (50) issued and outstanding shares of common stock of the Corporation be automatically split into 1 share of common stock. Any resulting share ownership interest of fractional shares was rounded up to the first whole integer in such a manner that all rounding was done to the next single share and each and every shareholder would own at least 1 share. The reverse stock split was effective January 8, 2008 for holders of record at December 6, 2007. Except as otherwise noted, all share, option and warrant numbers have been restated to give retroactive effect to this reverse split. All per share disclosures retroactively reflect shares outstanding or issuable as though the reverse split had occurred July 1, 2006.

RECENT SALES:

On March 7, 2007 Corporate Services International agreed to contribute a total of \$40,000 as paid in capital in exchange for 630,000 (31,500,000 pre-reverse) shares of restricted common stock. The company is to use these funds to pay the costs and expenses necessary to revive business operations. Such expenses include fees to reinstate the corporate charter with the state of Colorado; payment of all past due franchise taxes; settling all past due accounts with the transfer agent; accounting and legal fees; costs associated with bringing current its filings with the Securities and Exchange Commission, etc. As of December 31, 2007 such expenses aggregating \$8,506 have been paid and were applied against the subscription receivable. In September, 2007 the balance of \$31,494 was received.

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NOTES TO FINANCIAL STATEMENTS
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(UNAUDITED)

5. STOCKHOLDERS' EQUITY (Continued)

FAIR VALUE OF SERVICES:

The principal stockholder provided, without cost to the Company, his services, valued at \$1,800 per month for October through March, 2008 which totaled \$10,800 for the nine month period ended March 31, 2008. The principal stockholder also provided, without cost to the Company, office space valued at \$200 per month, which totaled \$1,200 for the nine month period ended March 31, 2008. The total of these expenses was \$12,000 and was reflected in the statement of operations as general and administrative expenses with a corresponding contribution of paid-in capital.

6. CHANGE IN CONTROL

On March 31, 2008 Zhenyu Shang purchased 630,000 shares of the Company's common stock, representing 63.4% of the outstanding shares, from Corporate Services International Inc., which is owned by Michael Anthony, who was the sole officer and sole director of Apogee Robotics. On the same date, pursuant to the Stock Purchase Agreement, Mr. Anthony elected Zhenyu Shang to serve as a member of the Board of Directors, and then Mr. Anthony resigned from his positions as sole member of the Board and as sole officer of Apogee Robotics. Mr. Shang then elected himself to serve as Chief Executive Officer and Chief Financial Officer of Apogee Robotics.

ITEM 2.MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

Results of Operations

We currently have no assets and no operations. During the three months ended March 31, 2008 we realized no revenue and incurred \$6,000 in operating expenses. During the nine months then ended, we realized no revenue and incurred \$45,924 in expenses. Our operating expenses consist of fees to lawyers and accountants necessary to maintain our standing as a fully-reporting public company and other administration expenses, which are primarily related to the existence of a trading market for our shares, such as transfer agent fees.

During the three months ended March 31, 2007 we incurred only \$935 in operating expenses, due to the fact that the company was completely dormant, was not a reporting company, and had no trading market. For the same reason, our expenses for the nine months ended March 31, 2007 were only \$2,135.

On March 31, 2008 control of the company was transferred from Michael Anthony to Zhenyu Shang. However, we do not expect the level of our operating expenses to change in the future unless we undertake to implement a business plan or effect an acquisition.

Liquidity and Capital Resources

Prior to March 31, 2008 we had accounts payable, most of which were owed to Michael Anthony or a corporation under his control. On March 31, 2008, in connection with Mr. Anthony's sale of control, all of the company's cash was used to satisfy accounts payable, and Michael Anthony waived any remaining amounts owed to him or to his affiliates. For that reason, we currently have no assets and no liabilities.

Since the company was revived by Michael Anthony in 2007, its cash needs have been met by loans and contributions from management. We expect that Mr. Shang will continue to fund our operations until we have completed an acquisition of an operating company and that we will, therefore, have sufficient cash to maintain our existence as a shell company for the next twelve months, if necessary. Our management is not required to fund our operations, however, by any contract or other obligation.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition or results of operations.

ITEM 3 CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Zhenyu Shang, our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the Company's disclosure controls and procedures as of March 31, 2008. Pursuant to Rule 13a-15(e) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, "disclosure controls and procedures" means controls and other procedures that are designed to insure that information required to be disclosed by the Company in the reports that it files with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time limits specified in the Commission's rules. "Disclosure controls and procedures" include, without limitation, controls and procedures designed to insure that information the Company is required to disclose in the reports it files with the Commission is accumulated and communicated to our Chief Executive Officer and Chief Financial Officer as appropriate to allow timely decisions regarding required disclosure. Based on his evaluation, Mr. Shang concluded

that the Company's system of disclosure controls and procedures was effective as of March 31, 2008 for the purposes described in this paragraph.

Changes in Internal Controls. There was no change in internal controls over financial reporting (as defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934) identified in connection with the evaluation described in the preceding paragraph that occurred during the Company's first fiscal quarter that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 6.

Exhibits

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Rule 13a-14(a) Certification – CEO

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Rule 13a-14(b) Certification

SIGNATURES

Pursuant to 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.

APOGEE ROBOTICS, INC.

Date: May 19, 2008

By: /s/ Zhenyu Shang
Zhenyu Shang, Chief Executive Officer
and Chief Financial Officer

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