

Edgar Filing: HOLOBEAM INC - Form 10-Q/A

HOLOBEAM INC  
Form 10-Q/A  
March 05, 2003

HOLOBEAM, INC.  
217 First Street  
P.O. Box 287  
Ho-Ho-Kus, New Jersey 07423-0287

February 11, 2003

U.S. Securities and Exchange Commission  
6432 General Green Way  
Alexandria, VA 22312

Attn: File Support

Re: Holobeam, Inc. File No. 0-3385

Dear Sir or Madam:

Enclosed you will find one (1) paper format copy of Holobeam, Inc. Quarterly Report Form 10Q for the quarter ended December 31, 2002 which has been previously filed/transmitted via the EDGAR system.

Kindly acknowledge receipt by signing the enclosed photocopy of this letter and return it to us in the enclosed stamped, self-addressed envelope.

Very truly yours,

W. M. Hackett  
Treasurer

mjb  
Enc.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

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FOR QUARTER ENDED: December 31, 2002

COMMISSION FILE NUMBER: 0-3385

HOLOBEAM, INC.

(Exact name of Registrant as specified in its charter)

Delaware

22-1840647

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
I.D. Number)

217 First Street, Ho-Ho-Kus, New Jersey

07423-0287

(Address of principal executive offices)

(Zip Code)

201-445-2420

(Registrant's telephone no., including area code)

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

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 x no

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

294,985 Common Shares at January 31, 2003

HOLOBEAM, INC.  
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PART I

HOLOBEAM, INC.  
Condensed Balance Sheets

ASSETS

	Dec. 31, 2002	Sept. 30, 2002
Current Assets		
Cash and Cash Equivalents	\$ 436,969	\$ 836,042
Short Term Investments	288,506	-0-
Other Current Assets	50,593	54,597
	-----	-----
Total Current Assets	776,068	890,639
	-----	-----
Investments in Real Estate, Net	5,037,567	5,087,576
Machinery & Equipment, Net	74,732	76,113
Unbilled Accounts Receivable	1,165,654	1,181,345
Other Non-Current Assets	388,536	402,149
	-----	-----
Total Assets	\$ 7,442,557	\$ 7,637,822
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

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Accounts Payable	\$ 63,371	\$ 7,669
Accrued Expenses	285,315	279,346
Income Taxes Payable	33,265	-0-
Current Portion of Mortgage Payable	423,348	414,221
	-----	-----
Total Current Liabilities	805,299	701,236
	-----	-----
Mortgage Payable, Net of Current Portion	4,402,004	4,511,321
Deferred Income Taxes	472,538	472,538
	-----	-----
Total Liabilities	5,679,841	6,685,095
	-----	-----
Shareholders' Equity		
Common Stock	28,769	28,769
Paid-In-Capital	9,540,472	9,540,472
Accumulated Deficit	( 7,491,763)	( 7,541,784)
Treasury Stock, At Cost	( 314,762)	( 74,730)
	-----	-----
Shareholders' Equity	1,762,716	1,952,727
	-----	-----
Total Liabilities and Shareholders Equity	\$7,442,557	\$7,637,822
	=====	=====

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HOLOBEAM, INC.  
Condensed Statement of Income

	3 Months Ended December 31	
	2002	2001
Revenue		
Rental Income	\$504,475	\$496,104
Interest Income	1,368	5,614
Other	-0-	-0-
	-----	-----
Total Revenue	505,843	501,718
Costs and Expenses		
Rental Expenses	57,790	55,350

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General and Administrative Expenses	208,754	182,731
Research and Development	44,523	41,964
Interest	109,124	116,764
Other	2,366	-0-
	-----	-----
Total Costs and Expenses	422,557	396,809
	-----	-----
Income Before Income Taxes	83,286	104,909
Income Tax Expense	33,265	41,900
	-----	-----
Net Income	\$ 50,021	\$ 63,009
	=====	=====
Weighted Average Number of Common Shares Outstanding	278,277	290,317
Net Income Per Share	\$0.18	\$0.22
	=====	=====

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HOLOBEAM, INC.  
Condensed Statements of Cash Flows  
Increase (Decrease) in Cash and Cash Equivalents

	3 Months Ended 12/31/02	3 Months Ended 12/31/01	12 Months Ended 9/30/02
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income, (Loss)	\$ 50,021	\$ 63,009	\$ 166,399
	-----	-----	-----
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	52,988	52,988	216,888
Amortization	14,909	12,260	55,535
Decrease, (Increase) In:			
Patent and Patent Application Costs	( 30)	( 60)	( 10,002)
Accounts Receivable	-0-	-0-	( 56)
Unbilled Rents Receivable	15,691	-0-	( 25,465)
Prepaid Income Taxes	33,265	( 122,510)	( 3,782)
Increase, (Decrease) In			
Accounts Payable and Accrued Expenses	61,671	219,534	28,126
Other	5,008	167	27,732

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Total Adjustments	183,502	162,379	288,976
Net Cash Provided (Used) by Operating Activities	233,523	225,388	455,375
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital Expenditures	( 1,596)	-0-	( 49,082)
Purchase of Short Term Investments	( 290,779)	-0-	-0-
Sale of Capital Assets	-0-	-0-	4,000
Net Cash Flows from Investing Activities	( 292,375)	-0-	( 45,082)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Principal Payments on First Mortgage	( 100,190)	( 91,820)	( 379,609)
Purchase of Treasury Stock Other	( 240,031)	( 12,225)	( 119,105)
	-0-	-0-	-0-
Net Cash Flows Provided (Used) by Financing Activities	( 340,221)	( 104,045)	( 498,714)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	( 399,073)	121,343	( 88,421)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	836,042	924,463	924,463
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 436,969	\$ 1,045,806	\$ 836,042

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HOLOBEAM, INC.  
Notes to Condensed Financial Statements  
Form 10Q

December 31, 2002

In the opinion of the Registrant, the accompanying unaudited, condensed financial statements contain all adjustments, consisting of routine, recurring accruals, necessary to present fairly its financial position as of December 31, 2002 and 2001 and the results of operations for the three months then ended and the statement of cash flows for the three months ended December 31, 2002.

For purposes of reporting cash flows, all liquid investments with maturities of three months or less are considered temporary cash investments.

The results of operations for the three months ended December 31, 2002 are not necessarily indicative of the results to be expected for a full year.

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HOLOBEAM, INC.

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Form 10Q  
Management's Discussion and Analysis of Financial Condition  
and Results of Operations  
December 31, 2002

(1) Material Changes in Financial Condition

Cash flows for the three months ended December 31, 2002 from operating activities, principally real estate rental activities, were \$293,375.00, up \$67,987.00 from the three months ended December 31, 2001.

During the three months ended December 31, 2002, the Registrant's working capital decreased \$218,634.00 to (\$29,231.00). This decrease resulted primarily from the Registrant's purchase of treasury stock amounting to \$240,031.00 during October 2002. The Registrant does not anticipate any significant additional purchases of treasury stock for the balance of the fiscal year.

It is the intention of the Registrant to continue funding of the testing associated with the medical staples project. (Reference is made to the Registrant's Annual Reports, Form 10K, Item 7 for the years ended September 30, 1998, 1999, 2000, 2001 and 2002.) During the quarter ended December 31, 2002, the Registrant incurred costs and expenses in connection with the testing in the amount of \$44,523.00. The Registrant anticipates funding of the project for the balance of the fiscal year begun October 21, 2002 will approximate \$206,000.00 and is not expected to have any materially adverse effect upon the financial condition of the Registrant.

(2) Material Changes in the Results of Operations

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HOLOBEAM, INC.  
Form 10Q  
Management's Discussion and Analysis of Financial Condition  
and Results of Operations  
December 31, 2002

The Registrant's after-tax income for the three months ended December 31, 2002 was \$50,021.00, which decreased \$12,988.00 when compared to the three months ended December 31, 2001. The decrease resulted from lower interest income from the Registrant's cash equivalents, which are held in money market funds, and from increases in costs that are routine and incidental to the Registrant's real estate rental activities.

As previously reported, the Registrant intends to continue funding of the surgical staple project during the fiscal year begun October 1, 2002.

Final tests are underway but there are no definitive conclusions at this point. As soon as results are available, the Registrant will decide upon additional commitments. If the tests do not produce satisfactory results, the project will be abandoned.

The Registrant spent \$44,523.00 on the project during the quarter ended December 31, 2002 and has budgeted an additional \$206,000.00 for the balance of the fiscal year in support of the present testing phase. When definitive results are obtained, the Registrant will decide upon additional financial support for the project.

Further, the Registrant contributed approximately \$96,800.00 to the defined benefit pension plan during the

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HOLOBEAM, INC.

Form 10Q

Management's Discussion and Analysis of Financial Condition  
and Results of Operations

December 31, 2002

quarter ended December 31, 2002. The contributions are charged to operations and included in administrative expenses on the Condensed Statement of Income.

Funding of the surgical staples project and the continued funding of the pension plan are not expected to have any materially adverse effect upon the financial condition of the Registrant.

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PART II

HOLOBEAM, INC.

Signatures

Form 10Q

December 31, 2002

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.

Registrant Holobeam, Inc.

By William M. Hackett

Date February 11, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

HOLOBEAM, INC.

By: Melvin S. Cook  
Melvin S. Cook  
President and Chairman of the Board

Date: February 11, 2003

By: William M. Hackett  
William M. Hackett  
Director and Treasurer

Date: February 11, 2003

By: Beverly Cook  
Beverly Cook  
Director and Secretary

Date: February 11, 2003



CERTIFICATIONS

(a) The Registrant maintains disclosure controls and procedures that provide reasonable assurance that the Registrant is able to record, process and summarize and report the information required to comply with the Registrant's Exchange Act disclosure obligations and for the Registrant's own internal purposes. The Registrant has evaluated these controls and procedures at September 31, 2002 and has determined the controls and procedures to be effective in recording, processing, summarizing and reporting the information required by the Registrant's quarterly and annual Exchange Act reports.

(b) There have been no significant changes in the Registrant's procedures or internal controls or in other factors that could significantly affect these controls subsequent to September 30, 2002, including corrective actions with regard to significant deficiencies and material weaknesses. As of December 31, 2002, the examination of controls and procedures did not disclose any significant deficiencies or material weaknesses.

I, William M. Hackett, Treasurer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Holobeam, 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

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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 committee of Registrant's board of directors (or persons performing the equivalent function):

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 there were significant changes in internal controls or in other factors that could significantly 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: 02/11/03

William M. Hackett, Treasurer  
William M. Hackett  
Treasurer

I, Melvin S. Cook, President, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Holobeam, 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:

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(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 committee of Registrant's board of directors (or persons performing the equivalent function):

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 there were significant changes in internal controls or in other factors that could

significantly 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: 02/11/03

Melvin S. Cook, President  
Melvin S. Cook  
President

Exhibit A

HOLOBEAM, INC.  
Statement of Computation of Per Common Share Earnings  
Form 10Q  
DECEMBER 31, 2002

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	Three Months Ended	
	December 31,	
	2002	2001
PRIMARY		
Net Income	\$ 50,021	\$ 63,009
SHARES		
Weighted Average Number of Common Shares of Outstanding	278,277	290,317
Earnings Per Share	\$0.18	\$0.22