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BUY IT CHEAP COM INC /DE
Form 10QSB
May 06, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended March 31, 2004

TRANSITION REPORT UNDER SECTION 13 or 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number 000-13337

Buy It Cheap.com, Inc.

(Exact Name of Small Business Issuer as Specified in Its Charter)

Delaware

22-2497491

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

1800 Bloomsbury Avenue, Ocean, NJ 07712

(Address of principal executive offices)

732-922-3355

(Issuer's telephone number)

(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

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of
common equity, as of the latest practicable date:

9,040,582 shares of Common Stock,
\$.001 par value per share, at April 15, 2004.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements of Buy It Cheap.com, Inc.

Balance Sheet as of March 31, 2004 and June 30, 2003.

Statements of Loss (unaudited) for the three and nine month periods ended March 31, 2004 and 2003 and for the period July 19, 1999 and March 31, 2004.

Statements of Cash Flows (unaudited) for the nine months ended March 31, 2004 and 2003 and for the period July 19, 1999 to March 31, 2004.

Notes to Financial Statements

BUY IT CHEAP.COM, INC.
(A Development Stage Company)
Balance Sheets

	As of	
	March 31, 2004	June 30, 2003

	(Unaudited)	
Assets		
Current assets:		
Cash	\$ 148	\$ 563
Other current assets	1,000	1,000
	-----	-----
Total current assets	1,148	1,563
	-----	-----
Property and equipment, net of depreciation	891	1,781
	-----	-----
Total assets	\$ 2,039	\$ 3,344
	=====	=====
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 161,097	\$ 153,944
Due to officers and directors	5,559	5,559
Convertible note payable	16,198	16,198
Deposit	29,500	20,000
	-----	-----
Total current liabilities	212,354	195,701
	-----	-----

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Total liabilities	212,354	195,701
	-----	-----
Stockholders' equity:		
Preferred stock - Series C, \$.001 par		
Authorized - 2,000,000 shares		
Issued and outstanding - 10,000 shares	10	10
Common stock - \$.001 par		
Authorized - 20,000,000 shares		
Issued and outstanding - 9,190,802		
shares issued and 9,040,582 shares		
outstanding	9,190	9,190
Paid in capital	787,140	787,140
Treasury stock	(751,100)	(751,100)
Deficit accumulated during the		
development stage	(255,555)	(237,597)
	-----	-----
Total stockholders' equity	(210,315)	(192,357)
	-----	-----
Total Liabilities and Equity	\$ 2,039	\$ 3,344
	=====	=====

See Notes to the Financial Statements

BUY IT CHEAP.COM, INC.
(A Development Stage Company)
Statements of Loss
(unaudited)

	For the three months ended March 31,		For the nine months ended March 31,		Cumulative for the period July 19, 1999 to Mar. 31, 2004
	2004	2003	2004	2003	
Sales Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Direct operating costs	-	1,035	1,113	2,201	24,499
General and administrative expenses	9,084	4,574	16,845	19,421	231,056
Total expenses	9,084	5,609	17,958	21,622	255,555
Net loss	\$ (9,084)	\$ (5,609)	\$ (17,958)	\$ (21,622)	\$ (255,555)
Weighted average number of shares Outstanding	9,040,582	9,040,582	9,040,582	9,040,582	
Net loss per share	\$ -	\$ -	\$ -	\$ -	

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See Notes to Financial Statements

BUY IT CHEAP.COM, INC.
(A Development Stage Company)
Statements of Cash Flows
(Unaudited)

	For the nine months ended March 31,		Cumulative from July 19, 1999 to March 31, 2004
	2004	2003	

Cash flows from operating activities:-			
Net loss	\$ (17,958)	\$ (21,622)	\$ (255,555)
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation and amortization	890	6,280	37,386
Changes in assets and liabilities			
Other current assets	-	-	(1,000)
Accounts payable	7,153	(6,387)	26,165
	-----	-----	-----
Net cash used by operating activities	(9,915)	(21,729)	(193,004)
	-----	-----	-----
Cash flows from investing activities			
Purchase of property and equipment	-	-	(23,275)
Cash acquired	-	-	1,927
	-----	-----	-----
	-	-	(21,348)
	-----	-----	-----
Cash flows from financing activities:			
Sale of Common stock	-	-	185,000
Deposit received	9,500	20,000	29,500
	-----	-----	-----
	9,500	20,000	214,500
	-----	-----	-----
Net increase (decrease) in cash	(415)	(1,729)	148
Cash at beginning of period	563	6,371	-
	-----	-----	-----
Cash at end of period	\$ 148	\$ 4,642	\$ 148
	=====	=====	=====

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

Liabilities assumed in the acquisition of Northeast (USA) Corp. for common stock	\$ (190,957)
Accounts payable satisfied by issuance of common stock and convertible note payable	32,395

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Software costs financed by issuance of common stock	15,000

	\$ (123,562)
	=====

See Notes to Financial Statements

Buy It Cheap.com, Inc.
(A Development Stage Company)
Notes to Financial Statements
(Unaudited)

Summary of Significant Accounting Policies

Basis of Presentation

The interim financial statements included in this report have been prepared by Buy It Cheap.com, Inc. (the "Company") without audit in accordance with generally accepted accounting principles and pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial information. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures made are adequate to make the information presented not misleading.

In the opinion of management, the information furnished for the three and nine month periods ended March 31, 2004 and 2003 includes all adjustments, consisting solely of normal recurring accruals, necessary for a fair presentation of the financial results for the respective interim periods. The results of operations for the three and nine month periods ended March 31, 2004 are not necessarily indicative of the results of operations to be expected for the fiscal year ending June 30, 2004. It is suggested that the interim financial statements be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2003, as filed with the Securities and Exchange Commission on Form 10-KSB.

Net Loss Per Common Share

The weighted average number of common shares outstanding used in computing net loss per common share was 9,040,582 for each of the three and nine month periods March 31, 2004 and 2003. The weighted average number of common shares used in computing the net loss per common share does not include any shares issuable upon the assumed conversion of the preferred stock since the effect would be anti-dilutive.

Due to Stockholder

As of March 31, 2004, a stockholder has made \$29,500 of advances to the Company. The Company has characterized these advances as deposits received against the future sale of some of the Company's assets.

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

The Company entered the Internet retailing business through the formation of a separate entity by two of its directors. The new entity was able to raise limited start-up capital for an Internet retailing business. For accounting purposes, the combination of the two companies was treated as an acquisition of the Company by this new entity. Subsequent to the completion of this acquisition the Company changed its name to Buy It Cheap.com, Inc. and planned to commence an Internet retailing operation under the website "Buyitcheap.com." The Company, however, has been unable to arrange settlement of its liabilities and raise substantial new investment capital needed to effectively develop this business. Additionally, the Company has recently had difficulty raising the small amount of capital necessary to remain a viable entity.

Recently, the Company has received several inquiries from companies desiring to merge into (a reverse merger) the Company to take advantage of its publicly held status. In light of its current financial situation the Company has decided that it would be in the best interest of shareholders to seek an acceptable merger partner. After evaluating several inquiries, the Company on April 13, 2004 entered into a Share Exchange Agreement with the shareholders of Cashtech Investment Limited, a British Virgin Islands corporation. Cashtech Investment Limited is a holding company which owns 70% of the outstanding capital stock of Harbin Zhongqiang Power-Tech Co., Inc., a China limited liability company ("ZQ Power-Tech").

ZQ Power-Tech owns a factory near Harbin, China where it designs and manufactures rechargeable polymer lithium-ion batteries. ZQ Power-Tech's batteries are used in consumer products such portable computers, personal digital assistants and cellular telephones. ZQ Power-Tech also manufactures larger batteries for use in motor scooters as well as encased batteries for miners' lamps. ZQ Power-Tech was founded in August 2002 and had only nominal sales during 2003. Currently, however, ZQ Power-Tech has a backlog of orders for delivery in 2004 exceeding U.S. \$4.5 million.

Closing of the acquisition is expected to take place in May, after filings with the Securities and Exchange Commission and the State of Delaware are made, an information statement is mailed to the shareholders of Buy It Cheap.com, and the parties complete their due diligence. At the closing Buy It Cheap.com will acquire all of the outstanding capital stock of Cashtech Investment Limited, and will issue Buy It Cheap.com common stock and preferred stock that will give the current owners of Cashtech Investment Limited ownership of 91% of the equity in Buy It Cheap.com, Inc.

A Current Report on Form 8-K containing information regarding Cashtech Investment Limited and ZQ Power-Tech will be filed promptly after the closing of the acquisition.

Item 3. Controls and Procedures

Anthony J. Consi, our Chief Executive Officer, and Stephen E. Roman, Jr., our Chief Financial Officer, performed an evaluation of the Company's disclosure controls and procedures as of March 31, 2004. Based on their evaluation, they concluded that the controls and procedures in place are sufficient to assure that material information concerning the Company which could affect the disclosures in the Company's quarterly and annual reports is made known to them by the other officers and employees of the Company, and

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that the communications occur with promptness sufficient to assure the inclusion of the information in the then-current report.

There have been no significant changes in the Company's internal controls or in other factors that could significantly affect those controls subsequent to the date on which Messrs. Consi and Roman performed their evaluation.

PART II - OTHER INFORMATION

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

(a) Exhibits

31. Rule 13a-14(a) Certification

32. Rule 13a-14(a) Certification

(b) Current Reports on Form 8-K filed during the quarter ended March 31, 2004

None.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BUY IT CHEAP.COM, INC.

Date: May 5, 2004

/s/ Stephen E. Roman, Jr.

Stephen E. Roman, Jr.
Vice President and Principal
Accounting Officer

EXHIBIT 31: Rule 13a-14(a) CERTIFICATION

I, Anthony J. Consi, certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB of Buy It Cheap.com, Inc.;

2. Based on my knowledge, this 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 report;

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

4. The small business issuer'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 small business issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the small business issuer's internal controls over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

Date: May 5, 2004

/s/ Anthony J. Consi

Anthony J. Consi, Chief Executive
Officer

I, Stephen E. Roman, Jr. , certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB of Buy It Cheap.com, Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other

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financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer'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 small business issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the small business issuer's internal controls over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

Date: May 5, 2004

/s/ Stephen E. Roman, Jr.

Stephen E. Roman, Jr., Chief Financial Officer

* * * * *

EXHIBIT 32: Rule 13a-14(b) CERTIFICATION

The undersigned officers certify that this report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, and that the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Buy It Cheap.com, Inc.

A signed original of this written statement required by Section 906 has been provided to Buy It Cheap.com, Inc. and will be retained by Buy It Cheap.com, Inc. and furnished to the Securities and Exchange Commission or its staff

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upon request.

May 5, 2004

/s/ Anthony J. Consi

Anthony J. Consi
(Chief executive officer)

/s/ Stephen E. Roman, Jr.

Stephen E. Roman, Jr.
(Chief financial officer)