

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-06-30**
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FILER

HOLOBEAM INC

CIK: **48105** | IRS No.: **221840647** | State of Incorporation: **DE** | Fiscal Year End: **0930**
Type: **10-Q** | Act: **34** | File No.: **000-03385** | Film No.: **00000000**
SIC: **6512** Operators of nonresidential buildings

Business Address
540 RAVINE CT
WYCKOFF NJ 07481
2014452420

SECURITIES & EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR QUARTER ENDING: June 30, 1996

COMMISSION FILE NUMBER: 0-3385

HOLOBEAM, INC.

(Exact name of registrant as specified in its charter.)

Delaware
(State or other jurisdiction of
incorporation or organization)

22-1840647
(I.R.S. Employer
Identification No.)

540 Ravine Court, Wyckoff, New Jersey 07841
(Address of principal executive offices) (Zip Code)

(201) 445-2420
(Registrant's telephone no., including area code)

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 for each of the issuer's classes of common stock, as of the latest practicable date:

314,710 Common Shares at August 5, 1996

HOLOBEAM, INC.
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PART I

<TABLE>

HOLOBEAM, INC.
CONDENSED BALANCE SHEETS

<CAPTION>

<S>	June 30, 1996 <C>	Sept 30, 1995 <C>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 432,932	\$ 1,347,540
Accounts Receivable, Net	-	3,758
Prepaid Expenses	2,365	5,704
	-----	-----
Total Current Assets	435,297	1,357,002
Investment in Real Estate, Net	6,341,756	6,487,316
Machinery & Equipment, Net	30,125	36,389

Deferred Tax Asset	148,750	295,590
Other Non-Current Assets	739,944	755,655
	<hr/>	<hr/>
Total Assets	\$ 7,695,872	\$ 8,931,962
	<hr/>	<hr/>

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<CAPTION>

LIABILITIES AND SHAREHOLDERS' EQUITY

<S>	<C>	<C>
Current Liabilities		
Accounts Payable	\$ 100,685	\$ 114,645
Accrued Expenses	99,314	137,245
Accrued Payroll	0	0
Loan Payable - Tandy Corporation	0	1,137,175
Current Portion of Long Term Debt	240,116	224,911
	<hr/>	<hr/>
Total Current Liabilities	440,115	1,613,976
Mortgage Payable, Net of Current Portion	6,595,216	6,777,251
Real Estate Commissions Payable	169,313	169,313
	<hr/>	<hr/>
Total Liabilities	7,204,644	8,560,540
Shareholders' Equity		
Common Stock	105,260	105,260
Paid-In-Capital	12,399,699	12,399,699
Accumulated Deficit	(9,504,019)	(9,724,873)
Treasury Stock, At Cost	(2,509,712)	(2,408,664)
	<hr/>	<hr/>
Shareholders' Equity	491,228	391,422
	<hr/>	<hr/>
Total Liabilities and Shareholders Equity	\$ 7,695,872	\$ 8,931,962
	<hr/>	<hr/>

</TABLE>

HOLOBEAM, INC.
CONDENSED STATEMENT OF INCOME

<TABLE>

<CAPTION>

	Three Months Ended June 30,		Nine Months Ended June 30,	
	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>
Revenue				
Rental Income	\$ 450,605	\$ 456,055	\$1,351,813	\$1,368,163
Interest Income	3,274	18,851	13,697	40,056
Other	0	0	0	0
	_____	_____	_____	_____
Total Revenue	453,879	474,906	1,365,510	1,408,219
Costs and Expenses				
Rental Expenses	52,893	41,358	158,679	114,811
General and Admin. Expenses	73,631	82,322	224,120	237,953
Research and Development	63,626	36,088	156,491	76,581
Interest	151,750	156,124	458,525	471,744
Other	0	0	0	0
	_____	_____	_____	_____
Total Costs and Expenses	341,900	315,892	997,815	901,089
	_____	_____	_____	_____
Income Before Income Taxes	111,979	159,014	367,695	507,130
Income Tax Expense	44,707	79,939	146,840	218,066
	_____	_____	_____	_____
Net Income	\$ 62,272	\$ 79,075	\$ 220,855	\$ 289,064
	_____	_____	_____	_____
Weighted Average Number of Shares Outstanding	315,318	323,012	318,025	323,939
Net Income Per Share	\$ 0.21	\$ 0.24	\$ 0.69	\$ 0.89
	_____	_____	_____	_____

</TABLE>

HOLOBEAM, INC.
CONDENSED STATEMENTS OF CASH FLOWS

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

<TABLE>

<CAPTION>

	3 Months Ended 6/30/96	9 Months Ended 6/30/96	12 Months Ended 9/30/95
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income, (Loss)	\$ 62,722	\$ 220,855	\$ 334,594
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
Depreciation	50,781	152,343	202,714
Amortization	13,650	40,950	56,545
Decrease, (Increase) In			
Deferred Tax Asset	44,707	146,840	228,996
Deferred Charges	0	0	(330,056)
Accounts Receivable	0	3,758	0
Real Estate Brokers Commissions	0	0	169,313
Increase, (Decrease) In			
Accounts Payable and Accrued Expenses	(10,864)	(51,891)	72,054
Other	(1,877)	(21,891)	(31,941)
	_____	_____	_____
Total Adjustments	96,397	163,369	367,625
	_____	_____	_____
Net Cash Provided (Used) by Operating Activities	96,397	490,964	702,219
	_____	_____	_____
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital Expenditures	0	(519)	(1,193,187)
Proceeds from Sale of Assets	0	0	0
Other	0	0	0
	_____	_____	_____
Net Cash Flows from Investing Activities	0	(519)	(1,193,187)
	_____	_____	_____
CASH FLOWS FROM FINANCING ACTIVITIES:			
Principal Payments on First Mortgage	(56,834)	(166,830)	(206,121)
Principal Payments on Loan Payable - Tandy	0	(1,137,175)	(52,500)
Purchase of Treasury Stock	(22,360)	(101,048)	(31,242)
Proceeds of Loan on Real Estate -			

Tandy	0	0	1,189,675
Other	0	0	0
	_____	_____	_____
Net Cash Flows Provided (Used) by Financing Activities	(79,194)	(1,405,053)	(899,812)
	_____	_____	_____
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	84,475	(914,608)	408,844
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	348,457	1,347,540	938,696
	_____	_____	_____
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 432,932	\$ 432,932	\$1,347,540
	_____	_____	_____

</TABLE>

HOLOBEAM, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
FORM 10Q

JUNE 30, 1996

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 June 30, 1996 and September 30, 1995 and the results of operations for the three months and nine months ended June 30, 1996 and the statement of cash flows for the three months and nine months ended June 30, 1996.

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 and nine months ended June 30, 1996 are not necessarily indicative of the results of operations to be expected for a full year.

HOLOBEAM, INC.
FORM 10Q
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

(1) Material Changes in Financial Condition

During the three months ended June 30, 1996, the Registrant's working capital deficit improved to (\$4,818.00) from (\$90,627.00) at March 31, 1996. This improvement reflects continuing positive cash flows associated with the real estate rental activities. The Registrant expects to continue to improve the Working Capital ratio during the next twelve months.

The initial cause factor for the negative Working Capital was the pay-off of the real estate loan payable to Tandy Corporation in connection with the Construction allowance pursuant to the Operating Lease in the amount of \$1,137,175.00. The loan was paid in full on November 9, 1995. (Reference is made to Form 10Q, Management's Discussion and Analysis of Financial Conditions and Results of Operations, part (1) for the Quarter ended December 31, 1995.)

The Registrant anticipates the Research and Development activities associated with the surgical staple project to continue through the next six (6) quarters. During the three months and nine months ended June 30, 1996, the Registrant's funding of Research, Development and Engineering in connection with this project totaled \$63,626.00 and \$156,491.00, respectively, and funds are expected to be required at a similar rate for the near term. If clinical testing of the technology is justified by the results of the research, costs related to these activities could significantly increase.

The Registrant anticipates that cash flows from the real estate rental activities will be sufficient to fund near term requirements.

If additional funds are required to enter the clinical testing phase, the Registrant expects to seek a business relationship with an organization familiar with this process in order to generate the investment required. However, no decision has been made at this time. (Reference is made to Form 10K, Part I, Item 1. (c) for the year ended September 30, 1995.)

(2) Material Changes in the Results of Operations

The results of operations for the three months and nine months ended June 30, 1996 indicate after-tax earnings of \$67,272.00 and \$220,855.00, respectively.

Expenses associated with the real estate rental activities increased by \$11,535.00 and \$43,868.00, respectively, when compared to the rental expenses for the corresponding periods in 1995. These increases reflect the additional depreciation recorded on the retail buildings as a result of 1994 and 1995 construction costs.

In addition, Research and Development costs associates with the surgical staple project increased by \$27,538.00 and \$29,910.00, respectively, when compared to the costs for the same periods in 1995. This increase is indicative of the increased activities associated with this project and in particular the costs related to Patent applications and filings and with prototypes, samples and engineering drawings.

The Registrant expects revenues to remain stable during the next twelve months while costs are projected to increase in proportion to the cost of licensing indices for the same period.

PART II

HOLOBEAM, INC.
SIGNATURES
FORM 10Q
JUNE 30, 1996

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.

Date: August 10, 1996

Holobeam, Inc

Registrant

William M. Hackett
Treasurer and Director

HOLOBEAM, INC.
COMPUTATION OF EARNINGS PER COMMON SHARE
FORM 10Q
JUNE 30, 1996

<TABLE>
<CAPTION>

Nine Months Ended
June 30

<S>	1996 <C>	1995 <C>
PRIMARY		
Net Income (Loss)	\$ 220,855	\$ 289,064
SHARES		
Weighted Average Number of Common Shares of Outstanding	318,025	323,939
Primary Earnings Per Share	\$ 0.69	\$ 0.89

</TABLE>