

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: **2006-08-03** | Period of Report: **2006-07-31**
SEC Accession No. **0001079973-06-000524**

([HTML Version](#) on [secdatabase.com](#))

FILER

APPLIED MEDICAL DEVICES INC

CIK: **312258** | IRS No.: **840789885** | State of Incorpor.: **CO** | Fiscal Year End: **0430**
Type: **10QSB** | Act: **34** | File No.: **000-09064** | Film No.: **061002659**
SIC: **9995** Non-operating establishments

Mailing Address
106 S. UNIVERSITY BLVD
#14
DENVER CO 80209

Business Address
106 S. UNIVERSITY BLVD. #14
DENVER CO 80209
303-722-4008

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

Form 10-QSB

(X) QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT
OF 1934 FOR THE QUARTERLY PERIOD ENDED JULY 31, 2006

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number 0-9064

Applied Medical Devices, Inc.

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

Colorado

84-0789885

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification Number)

106 S. University Blvd. #14, Denver, CO

80209

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number,
including area code

(303) 722-4008

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.

X Yes No
--- ---

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

X Yes No
--- ---

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

Class
Common Stock, no par value

Outstanding at August 1, 2006
340,977,800

Applied Medical Devices, Inc.
Form 10-QSB

Table of Contents

Part I. Financial Information.....	3
Consolidated Balance Sheets as of July 31, 2006 and April 30, 2006.....	4
Consolidated Statements of Operations for the three-month periods ended July 31, 2006 and 2005 and since Being a Development Stage Company.....	5
Consolidated Statements of Cash Flows for the three-month periods ended July 31, 2006 and 2005 and since Being a Development Stage Company.....	6
Management's Discussion and Analysis of Financial Condition and Results of Operations.....	7 & 8
Controls and Procedures.....	8
Part II. Other Information.....	9
Signature Page.....	10

Form 10-QSB
Page 2 of 10

Applied Medical Devices, Inc.

Form 10-QSB

July 31, 2006

Part I. Financial Information

Item I. Financial Statements

The accompanying financial statements of Applied Medical Devices, Inc. (the "Company") have been prepared in accordance with the instructions to quarterly reports on Form 10-QSB. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in financial position at July 31, 2006, and for all periods presented have been made. Certain information and footnote data necessary for fair presentation of financial position and results of operations in conformity with accounting principles generally accepted in the United States of America have been condensed or omitted. It is therefore suggested that these financial statements be read in conjunction with

the summary of significant accounting policies and notes to financial statements included in the Company's Annual Report on Form 10-KSB for the year ended April 30, 2006. The results of operations for the period ended July 31, 2006 are not necessarily an indication of operating results for the full year.

Form 10-QSB
Page 3 of 10

Applied Medical Devices, Inc.
(A Development Stage Company)
Consolidated Balance Sheets

	July 31, 2006 (Unaudited) -----	April 30, 2006 -----
Assets		
Current assets -		
Cash and cash equivalents	\$ 155,931	\$ 166,004
	-----	-----
Total Assets	\$ 155,931 =====	\$ 166,004 =====
Liabilities and Shareholders' Equity		
Current liabilities -		
Accrued expenses	\$ 15	\$ 255
Shareholders' equity		
Common Stock - No par value, 750,000,000 shares authorized, issued and outstanding 340,977,800	5,081,906	5,081,906
Accumulated deficit	(4,451,999)	(4,451,999)
Deficit accumulated during the development stage	(473,991)	(464,158)
	-----	-----
Total Shareholders' Equity	155,916 -----	165,749 -----
Total Liabilities and Shareholders' Equity	\$ 155,931 =====	\$ 166,004 =====

Form 10-QSB
Page 4 of 10

<TABLE>
<CAPTION>

Applied Medical Devices, Inc.
(A Development Stage Company)
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended July 31, 2006	Three Months Ended July 31, 2005	Since Being A Develop- ment Stage Company
<S>	<C>	<C>	<C>
Expenses -			
General and Administrative	\$ 11,556	\$ 8,994	\$ 789,293
Other income:			
Interest and dividend income	1,723	--	148,807
Gain from sale of marketable securities	--	--	133,959
Other	--	--	32,536
Total other income	1,723	--	315,302
Net Loss	\$ (9,833)	\$ (8,994)	\$ (473,991)
Net loss per common share - basic and diluted	\$ *	\$ *	
Weighted average number of common and common equivalent shares outstanding	340,977,800	111,811,000	

</TABLE>
*Less than \$(.01)

Form 10-QSB
Page 5 of 10

<TABLE>
<CAPTION>

Applied Medical Devices, Inc.
(A Development Stage Company)
Consolidated Statements of Cash Flows
(Unaudited)

Three Months ended	Three Months ended	Since Being A Development
-----------------------	-----------------------	------------------------------

<S>	July 31, 2006	July 31, 2005	Stage Company
<C>	<C>	<C>	<C>
Operating Activities:			
Net loss	\$ (9,833)	\$ (8,994)	\$ (473,991)
Adjustments to reconcile net loss to cash used in operating activities:			
Gain from sale of marketable securities	--	--	(133,959)
Issuance of common stock for services	--	--	7,565
Changes in operating assets and liabilities:			
Accounts receivable	--	--	4,903
Accrued expenses	(240)	647	(43,095)
Other	--	--	10
	-----	-----	-----
Cash flows (used) in operating activities	(10,073)	(8,347)	(638,567)
Investing activities:			
Proceeds from sale of marketable securities	--	--	202,012
Asset rehabilitation fee	--	--	(52,066)
	-----	-----	-----
Cash flows provided by investing activities	--	--	149,946
	-----	-----	-----
Financing activities:			
Proceeds from issuance of common stock	--	--	389,368
Proceeds from exercise of stock warrants	--	--	98,000
Proceeds from issuance of debt from related party	--	--	35,000
Repayment of debt to related party	--	--	(35,000)
	-----	-----	-----
Cash flows provided by financing activities	--	--	487,368
	-----	-----	-----
Net change in cash and cash equivalents	(10,073)	(8,347)	(1,253)
Cash and cash equivalents, beginning of period	166,004	188,648	157,184
	-----	-----	-----
Cash and cash equivalents, end of period	\$ 155,931	\$ 180,301	\$ 155,931
	=====	=====	=====

</TABLE>

Form 10-QSB
Page 6 of 10

Item 2.

Management's Discussion and Analysis or Plan of Operation.

The unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting

principles have been omitted pursuant to such rules and regulations. The accompanying financial statements should be read in conjunction with the audited financial statements of the Company, and notes thereto, for the year ended April 30, 2006.

The following review concerns the three-month periods ended July 31, 2006, and July 31, 2005, which should be read in conjunction with the financial statements presented in this Form 10-QSB.

The information set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations" below includes "forward looking statements" within the meaning of Section 27A of the Securities Act, and is subject to the safe harbor created by that section. Factors that could cause actual results to differ materially from those contained in the forward looking statements are set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Plan of Operation

Applied Medical Devices, Inc. (the "Company") (a development stage company) was incorporated on February 5, 1979 under the laws of the State of Colorado to engage in the development and sale of medical devices and medical technology. In July 1986, the Company decided to discontinue its business operations and commenced disposing of its business assets. As of May 1, 1987, the Company had completed the disposition of its business operations. Since that time, the Company's operations have consisted of efforts to pursue other business opportunities and funding sources. Accordingly, the Company is considered to be in the development stage as defined in Financial Accounting Standards Board Statement No. 7.

The financial statements include the accounts of the Company and its inactive wholly owned subsidiary, Applied Medical, Inc. ("AMI"). All intercompany accounts and transactions have been eliminated.

On January 18, 2005, at a special meeting of its shareholders, an amendment to the Company's Articles of Incorporation was approved to increase the total number of authorized shares to 750,000,000 shares of no par value stock. On March 4, 2005 the Company completed a private sale of 275,000,000 shares of its common stock for total cash consideration of \$250,000. The sale of the common shares amounted to a change in control of the Company as the newly issued shares constitute approximately 81% of the total ownership of the Company. Proceeds raised in the offering are being used for working capital.

The Company has no significant equipment and has not engaged in any research or development activities during the past two fiscal years. At present, the Company employs one person, on a part-time basis. The Company does not expect any changes unless the Company determines to proceed with a business combination.

Form 10-QSB
Page 7 of 10

At July 31, 2006, the Company had working capital of \$155,900. The Company believes that its working capital is adequate for its present business activities.

Results of Operations Three Months Ended July 31, 2006 and July 31, 2005

During the three months ended July 31, 2006, the Company had a net loss of approximately \$9,800. The Company incurred general and administrative costs of

approximately \$11,600 and had interest income of \$1,700 during the three months ended July 31, 2006. During the three months ended July 31, 2005, the Company had a net loss of approximately \$9,000. The Company incurred general and administrative costs of approximately \$9,000 and had no revenue during the three months ended July 31, 2005. As detailed on the accompanying consolidated statements of cash flows, there were no significant adjustments between the net loss and net change in cash.

A substantial amount of time may elapse and the Company may expend considerable funds for consulting, legal, accounting and other fees before the Company is able, if at all, to acquire any business or effect a merger or other form of business combination. Such expenditures may have an adverse impact on the ability of the Company to carry out its plan or, on its ability to continue any business that it acquires. The Company will be an insignificant participant among the firms that engage in the mergers with and acquisitions of privately financed entities. There are many established venture capital and financial concerns that have significant financial and personnel resources, technical expertise and greater experience than the Company. In addition, the Company is competing with numerous small entities similar in size and scope of operations to the Company. In view of the Company's limited financial resources and limited management availability, the Company is at a significant competitive disadvantage vis-a-vis many of the Company's competitors.

The financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results for the periods presented.

Item 3.

Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

The management of the Company, including the Chief Executive Officer and the Chief Financial Officer, has conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-14 under the Securities Exchange Act of 1934 as of a date (the "Evaluation Date") within 90 days prior to the filing date of this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective in ensuring that all material information relating to the Company required to be filed in the annual report has been made known to them in a timely manner.

(b) Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Form 10-QSB
Page 8 of 10

Part II. Other Information

ITEM 6. EXHIBITS
a) Exhibits.

The following exhibits are filed in connection with this Report:

No.	Description
31.1	CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	CFO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	CEO and CFO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Form 10-QSB
Page 9 of 10

Applied Medical Devices, Inc.

Form 10-QSB
July 31, 2006

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.

APPLIED MEDICAL DEVICES, INC.

Date: August 3, 2006

By: /s/ Allan K. Lager

Allan K. Lager, President
and Chief Financial Officer

Form 10-QSB
Page 10 of 10

Exhibit 31.1

CERTIFICATION

I, Allan K. Lager, Chief Executive Officer certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Applied Medical Devices Inc. (the "Company");

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

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company [language omitted in accordance with SEC transition instructions contained in SEC Release 34-47986] 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 Company, 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) [Paragraph omitted in accordance with SEC transition instructions contained in SEC Release 34-47986]
- c) Evaluated the effectiveness of the Company'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
- d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's second fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of

the Company's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company'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 Company's internal control over financial reporting.

Date: August 3, 2006

By: /s/ Allan K. Lager

Allan K. Lager
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Allan K. Lager, Chief Financial Officer certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Applied Medical Devices Inc. (the "Company");

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

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company [language omitted in accordance with SEC transition instructions contained in SEC Release 34-47986] 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 Company, 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) [Paragraph omitted in accordance with SEC transition instructions contained in SEC Release 34-47986]
- c) Evaluated the effectiveness of the Company'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
- d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's second fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent

functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company'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 Company's internal control over financial reporting.

Date: August 3, 2006

By: /s/ Allan K. Lager

Allan K. Lager
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-QSB (the "Report") of Applied Medical Devices, Inc. (the "Company") for the quarter ended July 31, 2006, Allan K. Lager the President, Chief Executive Officer and Chief Financial Officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the undersigned's knowledge and belief:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2006

\s\ Allan K. Lager

Allan K. Lager, President,
Chief Executive Officer and
Chief Financial Officer

* * * * *

A signed original of the written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.