

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: **1996-11-14** | Period of Report: **1996-09-30**
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FILER

CAMBRIDGE HOLDINGS LTD

CIK: **712757** | IRS No.: **840826695** | State of Incorpor.: **CO** | Fiscal Year End: **0630**
Type: **10QSB** | Act: **34** | File No.: **000-12962** | Film No.: **96664869**
SIC: **6512** Operators of nonresidential buildings

Mailing Address
*191 UNIVERSITY BLVD
STE 302
DENVER CO 80206*

Business Address
*191 UNIVERSITY BLVD STE
302
DENVER CO 80206
3033293033*

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 SEPTEMBER 30, 1996

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

For the transition period from _____ TO _____

Commission file number 0-12962

CAMBRIDGE HOLDINGS, LTD.

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

Colorado

84-0826695

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification Number)

1722 Buffehr Creek Road,
Vail, Colorado

81657
(Zip Code)

(Address of principal executive offices)

Issuer's telephone number, including area code

(970) 479-2800

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 X No

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

Class	Outstanding at October 22, 1996
Common Stock, \$.025 par value	3,388,400

CAMBRIDGE HOLDINGS, LTD.

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SEPTEMBER 30, 1996

PART I. FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

The unaudited financial statements reflect all adjustments and contain all information necessary, in the opinion of management, for a fair presentation of the financial position and results of operation for the interim periods reported when these statements are read in conjunction with the notes to financial statements included in the Registrant's Form 10-KSB for the year ended June 30, 1996.

CAMBRIDGE HOLDINGS, LTD.
BALANCE SHEET
(Unaudited)

	SEPTEMBER 30, 1996	JUNE 30, 1996
ASSETS -----		
CURRENT:		
Cash and cash equivalents	\$2,112,967	\$1,304,273
Short-term investments, at cost which approximates market value	737,880	1,493,687
Investment securities - available for sale	1,098,740	1,161,363
Notes receivable	200,000	250,000
Prepays and other	67,619	36,498

Total current assets	4,217,206	4,245,821

OTHER ASSETS	3,007	3,186

	\$4,220,213	\$4,249,007

CAMBRIDGE HOLDINGS, LTD.
BALANCE SHEET
(Unaudited)

SEPTEMBER 30,
1996

JUNE 30,
1996

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accrued liabilities	\$39,187	\$3,149
Deferred income taxes	250,000	275,000

Total current liabilities	289,187	278,149

STOCKHOLDERS' EQUITY:		
Common Stock - \$.025 par value, 15,000,000 shares authorized: 3,388,400 shares issued and outstanding as of September 30, 1996 and 3,348,400 shares issued and outstanding as of June 30, 1996	84,696	83,695
Additional paid-in capital	3,173,335	3,163,562
Retained earnings	255,784	255,265
Net unrealized gain on investment securities available for sale	417,211	468,336

Total stockholders' equity	3,931,026	3,970,858

	\$4,220,213	\$4,249,007

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CAMBRIDGE HOLDINGS, LTD.
STATEMENTS OF INCOME
(unaudited)

	THREE MONTHS ENDED SEPTEMBER 30, 1996	THREE MONTHS ENDED SEPTEMBER 30, 1995
REVENUES:		
Rental income	\$ --	\$155,574
Gain on sales of investment securities	--	20,925
Interest and dividend income	42,005	11,443

Total revenues	42,005	187,942

EXPENSES:		
Operating, general, and administrative	41,478	142,747

Interest	30	17,944

Total expenses	41,508	160,691

INCOME BEFORE TAXES ON INCOME	517	27,251
TAXES ON INCOME	--	--

NET INCOME	\$517	\$27,251

NET INCOME PER COMMON AND COMMON EQUIVALENT SHARE:	nil	\$.01

WEIGHTED AVERAGE NUMBER OF COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	3,443,039	3,095,962

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CAMBRIDGE HOLDINGS, LTD.
STATEMENTS OF CASH FLOWS (UNAUDITED)

	THREE MONTHS ENDED SEPTEMBER 30, 1996	THREE MONTHS ENDED SEPTEMBER 30, 1995
OPERATING ACTIVITIES:		
Net income	\$517	\$27,251
Adjustment to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	--	26,226
Gain on sale of investment securities	--	(20,925)
Changes in operating assets and liabilities:		
Prepays and other	(7,692)	(9,878)
Accounts payable and accrued liabilities	8,039	6,948

Net cash provided by operating activities	864	29,622

INVESTING ACTIVITIES:		
Purchase of investment securities	(8,750)	(134,216)
Proceeds from sales of investment securities	--	49,793
Net proceeds upon maturity of short term investments	755,807	--
Collections on note receivable	50,000	792

Net cash provided (used) in investing activities	797,057	(83,631)

FINANCING ACTIVITIES:		
Principal payments on notes payable	--	(4,591)
Proceeds from the sale of common stock	--	6,600
Proceeds from exercise of stock options net of repurchases	10,773	--

Net cash provided by financing activities	10,773	2,009

INCREASE (DECREASE) IN CASH	808,694	(52,000)

CASH AND CASH EQUIVALENTS, beginning of period	1,304,273	698,635

CASH AND CASH EQUIVALENTS, end of period	\$2,112,967	\$646,635

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

LIQUIDITY AND CAPITAL RESOURCES

During the fiscal year ended June 30, 1996, the Company completed the sale of an office building ("Corporate Centre") and adjacent land in Colorado Springs, Colorado. The Company is presently considering various real estate and other business opportunities. In October 1996 the Company entered into a contract for the purchase of raw land near Vail, Colorado. If the acquisition is finalized, the Company intends to consider plans to build a luxury residence on this site, which residential real estate would be offered for sale. The Company is also considering the purchase of other raw land near Vail for this same purpose. However, the Company does not intend to limit its prospective business activities to the development of residential real estate. The Company intends to continue to evaluate business opportunities, including possible acquisition of, or merger with another business entity, or other type of business

transaction.

For the three month period ended September 30, 1996, operating activities generated positive cash flow of \$900. Prepaid expenses increased by approximately \$7,700 in the three month period ended September 30, 1996. The Company sold no investment securities during the three month period ended September 30, 1996.

Cash provided in investing activities was \$797,000 during the three month period ended September 30, 1996, of which approximately \$8,800 used was the amount to purchase investment securities, approximately \$755,800 was the net proceeds upon maturity of short-term investments, and \$50,000 was the collection of notes receivable. The prices of the securities held by the Company are often highly volatile. In addition, trading in these securities may be thin or there may be other impediments to, or restrictions on, transfer.

Financing activities during the three month period ended September 30, 1996 provided cash of approximately \$10,800 which was generated from the exercise of stock options net of repurchases.

At September 30, 1996, the Company had cash and cash equivalents of \$2,112,967 and working capital of \$3,928,019. The Company believes that its working capital is adequate for its presently contemplated real estate expenditures near Vail as described above. The Company has no understandings or agreements on any other particular property or business. Any such future acquisitions or other business arrangements could involve substantial expenditures. Moreover, the Company could incur substantial expenses in connection with the evaluation of business opportunities. In its consideration of potential business opportunities, the Company expects to consider the potential effect on its liquidity.

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RESULTS OF OPERATIONS.

THREE MONTH PERIOD ENDED SEPTEMBER 30, 1996 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 1995

The Company's revenues for the three month period ended September 30, 1996 totaled approximately \$42,000, consisting of interest on temporary cash and other money market instruments and dividend income. Revenues for the three month period ended September 30, 1995 totaled approximately \$187,900, of which approximately \$155,600 was rental income, gains from the sale of investment securities of approximately \$20,900, and approximately \$11,400 was interest and dividend income.

During the three month periods ended September 30, 1996 and September 30,

1995, the Company incurred operating, general and administrative costs of approximately \$41,500 and \$142,700, respectively. The decrease of approximately \$101,200 resulted from the sale of the Corporate Centre and undeveloped lot in Colorado Springs, Colorado. Interest expense decreased to approximately \$30 for the period from \$18,000 in the comparable period in 1995 due to the mortgage being paid off at the time of the sale. The Company had income before taxes for the three month period ended September 30, 1996 of approximately \$517 as compared with income before taxes of approximately \$27,300 for the three month period ended September 30, 1995.

PART II. OTHER INFORMATION

Not Applicable

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SEPTEMBER 30, 1996

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.

CAMBRIDGE HOLDINGS, LTD.

November 14, 1996

By: /s/ Gregory Pusey

Gregory Pusey
President, Treasurer and Director

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