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AZONIC CORP
Form 10QSB
November 18, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

Quarterly Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For Quarter Ended

September 30, 2003

0-28315

Commission File No.

AZONIC CORPORATION

(Exact name of Registrant as specified in its charter)

NEVADA

(State or other jurisdiction of
incorporation or organization)

84-1517404

(I.R.S. Empl. Ident. No.)

7 Dey Street, New York, New York 10007

(Address of Principal Executive Offices) (Zip Code)

(212) 962-4400

(Registrant's Telephone Number, including Area Code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes No X
----- -----

The number of shares outstanding of each of the Registrant's classes of common equity, as of September 30, 2003 are as follows:

| Class of Securities ----- | Shares Outstanding ----- |
|--------------------------------|-----------------------------|
| Common Stock, \$.001 par value | 6,000,000 |

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PART I -- FINANCIAL INFORMATION

Item 1. Financial Statements

AZONIC CORPORATION
(A Development Stage Company)

BALANCE SHEETS
ASSETS

| | (Unaudited) Sept. 30 2003 ----- | (Audited) Mar. 31 2003 ----- |
|--------------------------------|--|---------------------------------------|
| Current Assets: | \$ -0- | \$ -0- |
| Plant, Property and Equipment: | -0- | -0- |
| Other Assets: | | |
| Organization costs - net- | -0- | -0- |

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| | | |
|---|---------|---------|
| | ----- | ----- |
| TOTAL ASSETS | \$ -0- | \$ -0- |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | \$ -0- | \$ -0- |
| Stockholders' Equity: | | |
| Preferred Stock: 5,000,000 shares Authorized; \$.001 par value; none issued and outstanding | -0- | -0- |
| Common Stock: 50,000,000 shares Authorized; \$.001 par value; 6,000,000 shares outstanding | 6,000 | 6,000 |
| Paid in Capital (deficit) | (4,200) | (5,700) |
| Deficit accumulated during The development stage | (1,800) | (300) |
| | ----- | ----- |
| Total Stockholders' Equity | -0- | -0- |
| | ----- | ----- |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ -0- | \$ -0- |
| | ===== | ===== |

The accompanying notes are an integral part of the financial statements.

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AZONIC CORPORATION
(A Development Stage Company)

STATEMENT OF OPERATIONS
For the Periods as Noted

| | (Unaudited) 3 Months Ended 9-30-03 | (Audited) Year Ended 3-31-03 | May 1, 1996 (Inception) to Sept. 30, 2003 |
|----------------------------|---|---------------------------------------|---|
| | ----- | ----- | ----- |
| Revenues: | \$ -0- | \$ -0- | \$ -0- |
| | ----- | ----- | ----- |
| Costs and Expenses: | | | |
| Amortization | -0- | -0- | 50 |
| General and Administrative | -0- | -0- | 250 |
| Legal | | | 1,500 |
| | ----- | ----- | ----- |

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| | | | |
|--|-----------|-----------|------------|
| Net (Loss) from Operations | -0- | -0- | (1,800) |
| Other Income (Expense) | -0- | -0- | -0- |
| | ----- | ----- | ----- |
| Net (Loss) for the Period | \$ -0- | \$ -0- | \$ (1,800) |
| | ===== | ===== | ===== |
| (Loss) per common share | \$ -0- | \$ -0- | \$ * |
| | ===== | ===== | ===== |
| Weighted Average Shares Outstanding | 6,000,000 | 6,000,000 | 3,409,000 |
| | ===== | ===== | ===== |

* Less than (\$.01) per share.

The accompanying notes are an integral part of the financial statements.

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AZONIC CORPORATION
(A Development Stage Company)

STATEMENT OF CASH FLOWS
For the Periods as Noted

| | (Unaudited) 3 Months Ended 9-30-03 | (Audited) Year Ended 3-31-03 | May 1, 1996 (Inception) to Sept. 30, 2003 |
|---|---|---------------------------------------|---|
| | ----- | ----- | ----- |
| Cash Flows from Operating Activities | \$ -0- | \$ -0- | \$ -0- |
| Cash Flows from Investing Activities | -0- | -0- | -0- |
| Cash Flows from Financing Activities | -0- | -0- | -0- |
| Shareholder contribution | | | 1,500 |
| | ----- | ----- | ----- |
| Net Increase (Decrease) | -0- | -0- | 1,500 |
| Beginning Cash Balance | -0- | -0- | -0- |
| | ----- | ----- | ----- |
| Cash Balance - End of Period | \$ -0- | \$ -0- | \$ -0- |
| | ===== | ===== | ===== |

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Supplemental disclosure of noncash investing and financing activities:

| | | | |
|---|--------|--------|--------|
| Common Stock issued for Organizational costs & Services | \$ -0- | \$ -0- | \$ 300 |
| | ===== | ===== | ===== |

The accompanying notes are an integral part of the financial statements.

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AZONIC CORPORATION
(A Development Stage Company)

STATEMENT OF CHANGES IN STOCKHOLDERS'
EQUITY For the Period May 1, 1996 (Inception)
to September 30, 2003

| | Common Stock | | | Deficit Accumulated from Inception |
|---|--------------|--------|----------------------|---|
| | Shares | Amount | Paid-in (Deficit) | |
| Balances May 1, 1996 | -0- | \$ -0- | \$ -0- | \$ -0- |
| Common stock issued For services & costs | 1,000,000 | 1,000 | (950) | |
| Net Loss 3-31-97 | -0- | -0- | -0- | (9) |
| Balance 3-31-97 | 1,000,000 | 1,000 | (950) | (9) |
| Net loss 3-31-98 | -0- | -0- | -0- | (10) |
| Balance 3-31-98 | 1,000,000 | 1,000 | (950) | (19) |
| Net loss 3-31-99 | -0- | -0- | -0- | (31) |
| Balance 3-31-99 | 1,000,000 | 1,000 | (950) | (50) |
| Common stock issued For services 8-10-99 | 5,000,000 | 5,000 | (4,750) | |
| Net loss 3-31-00 | -0- | -0- | -0- | (250) |
| Balance 3-31-00 | 6,000,000 | 6,000 | (5,700) | (300) |

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| | | | | |
|------------------|-----------|----------|------------|------------|
| Net Loss 3/31/01 | -0- | -0- | -0- | -0- |
| | ----- | ----- | ----- | ----- |
| Balance 3-31-01 | 6,000,000 | 6,000 | (5,700) | (300) |
| Net Loss 3/31/02 | -0- | -0- | -0- | -0- |
| | ----- | ----- | ----- | ----- |
| Balance 3-31-02 | 6,000,000 | 6,000 | (5,700) | (300) |
| Net Loss 3/31/03 | -0- | -0- | -0- | -0- |
| | ----- | ----- | ----- | ----- |
| Balance 3-31-03 | 6,000,000 | 6,000 | (5,700) | (300) |
| Net Loss 6-30-03 | -0- | -0- | 1,500 | (1,500) |
| | ----- | ----- | ----- | ----- |
| Balance 6-30-03 | 6,000,000 | 6,000 | (4,200) | (1,800) |
| Net Loss 9/30/03 | -0- | -0- | -0- | -0- |
| | ----- | ----- | ----- | ----- |
| Balance 9-30-03 | 6,000,000 | \$ 6,000 | \$ (4,200) | \$ (1,800) |
| | ===== | ===== | ===== | ===== |

The accompanying notes are an integral part of the financial statements.

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AZONIC CORPORATION
(A Development Stage Company)

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)
June 30, 2003

NOTE 1: THE COMPANY

Organization and Nature of Operations- The financial statements presented are those of Azonic Corporation. The Company is a development stage company with no operations. The Company is a "blank check" company which intends to enter into a business combination with one or more as yet unidentified privately held businesses. Its principal executive offices are located at 7 Dey Street, New York, New York 10005. Azonic was initially incorporated in the state of Colorado on May 1, 1996 as Grand Canyon Ventures Two, Incorporated. The Company changed its name to Azonic Engineering Corporation on June 23, 1998. On November 12, 1999, it was redomiciled to the State of Nevada by merging into its wholly-owned subsidiary, Azonic Corporation, which now is the name of the Company. As a result of the merger, the Company has changed the par value of its common stock to \$.001. The accompanying financial statements have been restated to reflect this change.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Condensed Financial Statements - The financial statements dated 9-30-03 included herein have been prepared by Azonic Corporation (the "Company") without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted as allowed by such rules and regulations. The Company believes that the disclosures are adequate to make the information presented not misleading. While management believes the procedures followed in

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preparing these financial statements are reasonable, the accuracy of the amounts are, in some respects, dependent upon the facts that will exist, and procedures that will be accomplished by the Company in the future.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

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NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes - The Company provides for income taxes using the asset and liability method as prescribed by Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Income Taxes - As of September 30, 2003 the Company had a net operating loss carryforward of \$1,800, which expires in varying amounts from 2012 to 2015. Generally, these operating losses are available to offset future federal and state taxable income.

Loss per Common Share - Loss per common share is computed using the weighted average number of common shares outstanding during each period.

Statement of Cash Flows - For purposes of the statement of cash flows, the Company considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Comprehensive Income - The Company adopted Statement of Financial Accounting Standards (SFAS) No. 130 Reporting Comprehensive Income, effective April 1, 1998. SFAS No. 130 establishes standards for reporting comprehensive income and its components (revenues, expenses, gains and losses). Components of comprehensive income are net income and all other non-owner changes in equity. SFAS No. 130 requires an enterprise to (a) classify items of other comprehensive income by their nature in a financial statement, and (b) display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of a statement of financial position. The Company has no items of comprehensive income at September 30, 2003.

NOTE 3: RELATED PARTY TRANSACTIONS

The Company's corporate offices are located in the offices of its principal stockholder, Infinity Capital Group, Inc. (hereinafter "Infinity") and that of its President, CEO and Chairman of the Board Greg Laborde on a rent-free basis. Furthermore, all legal and accounting costs with the exception of the work prepared by the independent auditors are paid for and provided without charge to the Company by SEC Attorneys, LLC of North Haven, Connecticut, a corporate entity which provides such services to Infinity Capital Group, Inc, its principal shareholder.

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NOTE 4: STOCKHOLDERS' EQUITY

Capital Structure - The Company was originally incorporated under Colorado law on May 1, 1996, under the name of Grand Canyon Ventures Two, Incorporated. On June 23, 1998, the Company amended its Articles of Incorporation and changed its name to Azonic Engineering, Incorporated. On September 17, 1999, Azonic Corporation was formed in Nevada. On November 12, 1999 Azonic Engineering, Incorporated was merged into Azonic Corporation. The surviving capital structure now consists of 55 million shares of \$.001 par value stock, of which 50 million shares are designated as common stock and 5 million shares are designated as preferred stock. Stockholders' equity has been restated from inception to conform to the current capital structure.

Preferred Stock - No shares of the Company's preferred stock have been issued as of September 30, 2003. Dividends, voting rights and other terms, rights and preferences have not been designated. The Company's board of directors may establish these provisions from time to time.

Common Stock - 1,000,000 shares of common stock have been issued at \$0.00005 in exchange for services performed and costs advanced to organize the Company in May 1996.

On August 10, 1999, the board of directors authorized the issuance of 5,000,000 shares of common stock at \$0.00005 per share to the Company's president in exchange for services valued at \$250.

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FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements and information relating to Azonic that are based on the beliefs of its management as well as assumptions made by and information currently available to its management. When used in this report, the words "anticipate," "believe," "estimate," "expect," "intend," "plan" and similar expressions, as they relate to Azonic or its management, are intended to identify forward-looking statements. These statements reflect management's current view of Azonic concerning future events and are subject to certain risks, uncertainties and assumptions, including among many others: a general economic downturn; a downturn in the securities markets; a general lack of interest for any reason in going public by means of transactions involving public blank check companies; federal or state laws or regulations having an adverse effect on blank check companies, Securities and Exchange Commission regulations which affect trading in the securities of "penny stocks," and other risks and uncertainties. Should any of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this report as anticipated, estimated or expected. Readers should realize that Azonic is in the development stage, with virtually no assets, and that for Azonic to succeed requires that it either originate a successful business (for which it lacks the funds) or acquire a successful business. Azonic's realization of its business aims as stated herein will depend in the near future principally on the successful completion of its acquisition of a business, as discussed below.

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

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BACKGROUND. Azonic was incorporated in the State of Colorado on May 1, 1996 as Grand Canyon Ventures Two, Incorporated. The Company changed its name to Azonic Engineering Corporation on June 23, 1998. On November 12, 1999, it was redomiciled to the State of Nevada by merging into its wholly owned subsidiary Azonic Corporation ("Company"), a Nevada corporation, which now is the name of the Company.

The Company is in the development stage in accordance with Financial Accounting Standards Board Standard No. 7. The Company has not been operational, other than occasionally searching for a business or venture to acquire, as described below, nor had revenues other than interest income since its inception.

PLAN OF OPERATIONS

Azonic is a blank check company whose plan of operation over the next twelve months is to seek and, if possible, acquire an operating business or valuable assets by entering into a business combination. Azonic will not be restricted in its search for business combination candidates to any particular geographical area, industry or industry segment, and may enter into a combination with a private business engaged in any line of business, including service, finance, mining, manufacturing, real estate, oil and gas, distribution, transportation, medical, communications, high technology, biotechnology or any other. Management's discretion is, as a practical matter, unlimited in the selection of a combination candidate. Management of Azonic will seek combination candidates in the United States and other countries, as available time and resources permit, through existing associations and by word of mouth. This plan of operation has been adopted in order to attempt to create value for Azonic's shareholders. For further information on Azonic's plan of operation and business, please consult Azonic's registration statement on Form 10SB-12G available on the EDGAR system of the U.S. Securities and Exchange Commission.

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Azonic does not intend to do any product research or development. Azonic does not expect to buy or sell any real estate, plant or equipment except as such a purchase might occur by way of a business combination that is structured as an asset purchase, and no such asset purchase currently is anticipated. Similarly, Azonic does not expect to add additional employees or any full-time employees except as a result of completing a business combination, and any such employees likely will be persons already then employed by the company acquired.

COMPETITION. Azonic will be in direct competition with many entities in its efforts to locate suitable business opportunities. Included in the competition will be business development companies, venture capital partnerships and corporations, small business investment companies, venture capital affiliates of industrial and financial companies, broker-dealers and investment bankers, management and management consultant firms and private individual investors. Most of these entities will possess greater financial resources and will be able to assume greater risks than those which Azonic, with its limited capital, could consider. Many of these competing entities will also possess significantly greater experience and contacts than Azonic's Management. Moreover, Azonic also will be competing with numerous other blank check companies for such opportunities.

EMPLOYEES. Azonic has no full-time employees, and its only employees currently are its officers. It is not expected that Azonic will have additional full-time or other employees except as a result of completing a combination.

RESULTS OF OPERATIONS FOR QUARTER ENDED SEPTEMBER 30, 2003 COMPARED TO SAME

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QUARTER IN 2002

SECOND QUARTER 2003 - During the second fiscal quarter ended September 30, 2003, Azonic incurred a net loss of \$-0-. The Company paid no rent or salaries and had no operations during the quarter.

SECOND QUARTER 2002 - During the second fiscal quarter ended September 30, 2002, Azonic incurred a net loss of \$-0-. The Company paid no rent or salaries and had no operations during the quarter.

LIQUIDITY and CAPITAL RESOURCES

The Company's corporate offices are located in the offices of its principal stockholder, Infinity Capital Group, Inc. (hereinafter "Infinity") and that of its President, CEO and Chairman of the Board Greg Laborde on a rent-free basis. Furthermore, all legal and accounting costs with the exception of the work prepared by the independent auditors are paid for and provided without charge to the Company by SEC Attorneys, LLC of North Haven, Connecticut, a corporate entity which provides such services to Infinity Capital Group, Inc, its principal shareholder. Azonic had \$-0- cash on hand at the end of the quarter and had no other assets to meet ongoing expenses or debts that may accumulate. Since inception, Azonic has accumulated a deficit (net loss) of \$300.

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Azonic has no commitment for any capital expenditure and foresees none. However, Azonic will incur routine fees and expenses incident to its reporting duties as a public company, and it will incur expenses in finding and investigating possible acquisitions and other fees and expenses in the event it makes an acquisition or attempts but is unable to complete an acquisition. Azonic's cash requirements for the next twelve months are relatively modest, principally accounting expenses and other expenses relating to making filings required under the Securities Exchange Act of 1934 (the "Exchange Act"), which should not exceed \$10,000 in the fiscal year ending March 31, 2003. Any travel, lodging or other expenses which may arise related to finding, investigating and attempting to complete a combination with one or more potential acquisitions could also amount to thousands of dollars.

Azonic's current management and its counsel have informally agreed to continue rendering services to Azonic and to not demand payment of sums owed unless and until Azonic completes an acquisition. The terms of any such payment will have to be negotiated with the principals of any business acquired. The existence and amounts of Azonic debt may make it more difficult to complete, or prevent completion of, a desirable acquisition. In addition, offices are provided to Azonic without charge.

Azonic will only be able to pay its future debts and meet operating expenses by raising additional funds, acquiring a profitable company or otherwise generating positive cash flow. As a practical matter, Azonic is unlikely to generate positive cash flow by any means other than acquiring a company with such cash flow. Azonic believes that management members or shareholders will loan funds to Azonic as needed for operations prior to completion of an acquisition. Management and the shareholders are not obligated to provide funds to Azonic, however, and it is not certain they will always want or be financially able to do so. Azonic shareholders and management members who advance money to Azonic to cover operating expenses will expect to be reimbursed, either by Azonic or by the company acquired, prior to or at the time of completing a combination. Azonic has no intention of borrowing money to reimburse or pay salaries to any Azonic officer, director or shareholder or

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their affiliates. There currently are no plans to sell additional securities of Azonic to raise capital, although sales of securities may be necessary to obtain needed funds. Azonic's current management and its counsel have agreed to continue their services to Azonic and to accrue sums owed them for services and expenses and expect payment reimbursement only.

Should existing management or shareholders refuse to advance needed funds, however, Azonic would be forced to turn to outside parties to either loan money to Azonic or buy Azonic securities. There is no assurance whatever that Azonic will be able at need to raise necessary funds from outside sources. Such a lack of funds could result in severe consequences to Azonic, including among others:

(1) failure to make timely filings with the SEC as required by the Exchange Act, which also probably would result in suspension of trading or quotation in Azonic's stock and could result in fines and penalties to Azonic under the Exchange Act;

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(2) curtailing or eliminating Azonic's ability to locate and perform suitable investigations of potential acquisitions; or

(3) inability to complete a desirable acquisition due to lack of funds to pay legal and accounting fees and acquisition-related expenses.

Azonic hopes to require potential candidate companies to deposit funds with Azonic that it can use to defray professional fees and travel, lodging and other due diligence expenses incurred by Azonic's management related to finding and investigating a candidate company and negotiating and consummating a business combination. There is no assurance that any potential candidate will agree to make such a deposit.

Item 3. Controls and Procedures

The management of the company has evaluated the effectiveness of the issuer's disclosure controls and procedures as of a date within 90 days prior to the filing date of the report (evaluation date) and have concluded that the disclosure controls and procedures are adequate and effective based upon their evaluation as of the evaluation date.

There were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of the most recent evaluation of such, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II -- OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

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None

Item 5. Other Information

None

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

(a) Exhibits - Exhibits 31 and 32 (Sarbanes-Oxley)

(b) Reports on Form 8-K - 8-K filed September 11, 2003

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this Report on Form 10-QSB to be signed on its behalf by the undersigned, thereunto duly authorized.

DATED: November 17, 2003

AZONIC CORPORATION

By: /s/ Greg Laborde

Greg Laborde, President