BENTLEY CAPITAL CORP COM INC
Form 10QSB
November 13, 2003

United States
Securities and Exchange Commission
Washington, D. C. 20549

Form 10-QSB

(Mark One)

[X] Quarterly Report Under Section 13 or 15(d) Of The Securities Exchange Act Of 1934 For The Quarter Ended September 30, 2003.

[ ] Transition Report Under Section 13 or 15(d) off the Securities Exchange Act of 1934

For The Transition Period From _____ To ______

Commission File No. 000-31883

BENTLEYCAPITALCORP.COM INC.
(Name of Small Business Issuer in Its Charter)

Washington	91-2022700
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1150 Marina Village Parkway, Suite 103
Alameda, Ca 94501
(510) 865-6412
(Address Of Principal Executive Offices, Telephone Number)

As of November 12, 2003, there were 11,250,000 shares of common stock outstanding.

Transitional Small Business Disclosure Format | | Yes |X| No

PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

BENTLEYCAPITALCORP.COM INC
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BENTLEYCAPITALCORP.COM INC
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	SEPTEMBER 30, 2003	DECEMBER 31, 2002
ASSETS		
CURRENT ASSETS		
Cash	$ 8,762	$ 1,385
Accounts receivable, less allowance of $2,442	32,229	32,755
Inventory, net of reserve for obsolescence of $5,572	71,390	20,661
TOTAL CURRENT ASSETS	112,381	54,801
PROPERTY AND EQUIPMENT		
Furniture and fixtures	4,670	4,670
Equipment and machinery	42,784	42,784
Leasehold improvements	1,886	1,886
Less: accumulated depreciation	(11,518)	(5,884)
NET PROPERTY AND EQUIPMENT	37,822	43,456
TOTAL ASSETS	$ 150,203	$ 98,257
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	$ 124,860	$ 127,638
Accrued expenses	-	183
Deferred revenue	18,988	-
Shareholder loan	84,000	-
TOTAL CURRENT LIABILITIES	227,848	127,821
STOCKHOLDERS' DEFICIT		
Preferred stock, 20,000,000 shares authorized with a par value of $0.0001; no shares issued or outstanding.	-	-
Common stock, 100,000,000 common shares authorized with a par value of $0.0001; 11,250,000 shares issued and outstanding,	1,126	1,126
Additional paid in capital	536,350	491,440

Accumulated deficit	(615,121)	(522,130)
TOTAL STOCKHOLDERS' DEFICIT	(77,645)	(29,564)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 150,203	$ 98,257

The accompanying notes are an integral part of these condensed consolidated financial statements.

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BENTLEYCAPITALCORP.COM INC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2003	2002	2003	2002
SALES	$ 62,431	$ 69,060	$ 189,831	$ 226,606
COST OF GOODS SOLD	31,180	29,460	87,532	148,433
GROSS MARGIN	31,251	39,600	102,299	78,173
OPERATING EXPENSES				
General and administrative expenses	54,787	56,083	150,290	183,140
Fair value of officer services	15,000	15,000	45,000	45,000
TOTAL OPERATING EXPENSES	69,787	71,083	195,290	228,140
NET LOSS	$ (38,536)	$ (31,483)	$ (92,991)	$ (149,967)
BASIC AND DILUTED LOSS PER COMMON SHARE	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.04)
BASIC AND DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	11,250,000	4,493,969	11,250,000	3,500,450

The accompanying notes are an integral part of these condensed consolidated financial statements.

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BENTLEYCAPITALCORP.COM INC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (92,991)	$ (149,967)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation	5,634	2,614
Fair value of officer services	45,000	45,000
Changes in operating assets and liabilities		
Accounts receivable	436	(7,171)
Inventory	(50,729)	2,495
Accounts payable	(2,778)	15,558
Accrued expenses	(183)	-
Deferred revenue	18,988	-
NET CASH FROM OPERATING ACTIVITIES	(76,623)	(91,471)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(3,415)
NET CASH FROM INVESTING ACTIVITIES	-	(3,415)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shareholder loans	84,000	-
Capital contributions	-	91,828
NET CASH FROM FINANCING ACTIVITIES	84,000	91,828
NET INCREASE (DECREASE) IN CASH	7,377	(3,058)
CASH AT BEGINNING OF PERIOD	1,385	12,618
CASH AT END OF PERIOD	$ 8,762	$ 9,560

The accompanying notes are an integral part of these condensed consolidated financial statements.

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BENTLEYCAPITALCORP.COM INC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATIONS

ORGANIZATION- Proton Laboratories, LLC. (Proton) was incorporated on February 16, 2000 in the State of California. Proton did not begin its operations until January 1, 2001. On January 1, 2001, Proton's sole owner contributed inventory and property and equipment to the Company.

BentleyCapitalCorp.com Inc. (Bentley) was incorporated in the State of Washington on March 14, 2000. The Company acquired a license to market and distribute vitamins, minerals, nutritional supplements, and other health and fitness products in the Province of British Columbia, Canada. The Company was in the development stage.

On November 15, 2002, Proton entered into an Agreement and Plan of Reorganization with Bentley whereby the Company merged with and into VWO I Inc. (VWO), a wholly owned subsidiary of Bentley (the "Merger"). As a result of the Merger, Proton's sole owner, Edward Alexander, exchanged 100% of his ownership for 8,750,000 shares of Bentley common stock, par value $0.0001 per share. Prior to the Merger, Proton's sole owner (Mr. Alexander) entered into a Stock Purchase Agreement with certain shareholders of Bentley. Under the Stock Purchase Agreement, Mr. Alexander purchased 8,750,000 shares of common stock of Bentley from certain Bentley shareholders for $170,000. The 8,750,000 shares Mr. Alexander acquired were canceled as part of the Merger. VWO I Inc. changed its name to Proton Laboratories, Inc. (Proton) as part of the Merger.

The Merger has been accounted for as the reorganization of Proton and the acquisition of Bentley's assets using the purchase method of accounting. For financial statement purposes Proton is considered the parent corporation but maintains BentleyCapitalCorp.com Inc as its business name and hereafter is collectively referred to as the "Company".

BASIS OF PRESENTATION- Proton changed from an LLC to a corporation on November 15, 2002. The effect of the corporate status of the Company has been reflected in the accompanying consolidated financial statements. The accompanying financial statements have been restated to reflect the shares of common stock acquired through the merger as though they had been issued on the dates capital contributions were received from the majority owner of the Company, including the fair value of services rendered and the acquisition of Bentley.

CONSOLIDATION POLICY- The accompanying consolidated financial statements reflect the financial position of Proton as of September 30, 2003 and December 31, 2002. The results of its operations include the activity of Proton for the nine months ended September 30, 2002 and the activity of Proton and Bentley for the nine months ended September 30, 2003. All significant intercompany transactions have been eliminated in consolidation.

CONDENSED FINANCIAL STATEMENTS - The accompanying unaudited condensed consolidated financial statements include the accounts of BentleyCapitalCorp.com and its subsidiary (the "Company"). These

financial statements are condensed and, therefore, do not include all disclosures normally required by accounting principles generally accepted in the United States of America. These statements should be read in conjunction with the Company's annual financial statements included in the Company's December 31, 2002 Annual Report on Form 10-KSB. In particular, the Company's significant accounting principles were presented as Note 1 to the consolidated financial statements in that report. In the opinion of management, all adjustments necessary for a fair presentation have been included in the accompanying condensed consolidated financial statements and consist of only normal recurring adjustments. The results of operations presented in the accompanying condensed consolidated financial statements for the nine months ended September 30, 2003 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2003.

NOTE 2 - BUSINESS CONDITION

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The company has incurred net losses of $92,991 and $149,967 for the nine months ended September 30, 2003 and 2002, respectively. Cash used by operations for the nine months ended September 30, 2003 was $76,623. The Company's revenues decreased during 2003 and capital contributions and shareholder loans were required from the Company's president to fund operations.

The Company is currently in a start-up phase and working towards raising public funds to expand its marketing and revenues. The Company has spent considerable time in contracting with several major overseas corporations for the co-development of enhanced antioxidant beverages for distribution into the overseas markets. In addition, the Company is working with its Canadian business associates to identify institutional businesses to market various disinfection applications based upon functional water, pending government approval.

The Company's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows to meet its obligations on a timely basis, to obtain additional financing as may be required, and ultimately to attain profitable operations. However, there is no assurance that profitable operations or sufficient cash flows will occur in the future.

NOTE 3 - RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2003, the president issued a note payable to the Company in the amount of $84,000. The note accrues interest at 7%, is unsecured, and is due on demand.

During the nine months ended September 30, 2003, the president did not receive any amounts related to his salary. Thus the Company recorded a salary expense and contributed capital for the fair value the president's services. During the nine months ended September 30, 2003 the president contributed $45,000 in the form of his salary and cash.

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Item 2. Management's Discussion and Analysis

FORWARD-LOOKING STATEMENT

Certain statements contained in this report, including, without limitation, statements containing the words, "believes," "anticipates," "expects," and other words of similar import, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, of to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We disclaim any obligation to update any such factors or to announce publicly the results of any revision of the forward-looking statements contained or incorporated by reference herein to reflect future events or developments. In addition to the forward-looking statements contained in this Form 10-QSB, the following forward-looking factors could cause our future results to differ materially our forward-looking statements: competition, funding, government compliance and market acceptance of our products.

INTRODUCTION

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the audited financial statements and accompanying notes and the other financial information appearing elsewhere in this Form 10-QSB. The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate our continuation as a going concern.

Our independent auditors made a going concern qualification in their report dated March 20, 2003, which raises substantial doubt about our ability to continue as a going concern. Our revenue decreased during 2002 and capital contributions were required from our president to fund operations. These conditions raise a substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should we be unable to continue in existence. Our ability to continue as a going concern is dependent upon our ability to generate sufficient cash flows to meet our obligations on a timely basis, to obtain additional financing as may be required, and ultimately to attain profitable operations. However, there is no assurance that profitable operations or sufficient cash flows will occur in the future.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with

generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions provide a basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, and these differences may be material.

We recognize revenue when all four of the following criteria are met: (i) persuasive evidence that an arrangement exists; (ii) delivery of the products and/or services has occurred; (iii) the selling price is both fixed and determinable and; (iv) collectibility is reasonably probable. Our revenues are derived from sales of industrial, environmental and residential systems which alter the properties of water to produce functional water. We believe that this critical accounting policy affects our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Our fiscal year end is December 31.

RESULTS OF OPERATIONS-QUARTERS ENDED SEPTEMBER 30, 2003 AND 2002.

We had revenue of $62,431 for the quarter ended September 30, 2003, compared to revenue of $69,060 for the quarter ended September 30, 2002.

We had a net loss of $38,536 for the quarter ended September 30, 2003, compared to a net loss of $31,483 for the quarter ended September 30, 2002.

RESULTS OF OPERATIONS-NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002.

We had revenue of $189,831 for the nine months ended September 30, 2003, compared to revenue of $226,606 for the nine months ended September 30, 2002.

We had a net loss of $92,991 for the nine months ended September 30, 2003, compared to a net loss of $149,967 for the nine months ended September 30, 2002.

Cash used by operating activities was $76,623 for the nine months ended September 30, 2003, compared to cash used in operating activities $91,471 for the nine months ended September 30, 2002.

We devoted a significant amount of time during year ended December 31, 2002, the nine months ended September 30, 2003 and the quarter ended September 30, 2003 to completing our acquisition of Proton Laboratories and the procedure for being listed on the Over-the Counter Bulletin Board. A substantial amount of legal and accounting fees were incurred in the

acquisition and merger of Proton into our subsidiary and the required filings with the Securities and Exchange Commission related to the merger. These activities significantly contributed to our net loss in the quarter ended September 30, 2003.

We are currently seeking funds to expand our marketing and revenues. We have spent considerable time in contracting with several major overseas corporations for the co-development of enhanced antioxidant beverages for distribution into the overseas markets. We are working with Canadian business associates to identify institutional businesses to market various disinfection applications based upon functional water, pending government approval.

PLAN OF OPERATION

During the period from March 14, 2000 through November 15, 2002, we did not engage in significant operations other than organizational activities, acquisition of the rights to market the products of Vitamineralherb.com, Inc., the preparation for registration of our securities under the Securities Act of 1933, as amended, and capital raising. No revenues were received by us during that period.

Since our acquisition of Proton Laboratories in November 2002, our business has been focused on marketing functional water equipment and systems. Alkaline-concentrated functional water may have health-beneficial properties and may be used for drinking and cooking purposes. Acidic-concentrated functional water may be used as a topical, astringent medium. We may become active in marketing Vitamineralherb.com products in the future if the licensor, Vitamineralherb.com, Inc., establishes an active e-business web site

LIQUIDITY

As of September 30, 2003, we had cash on hand of $8,762. Our growth is dependent on attaining profit from our operations, or our raising additional capital either through the sale of stock or borrowing. There is no assurance that we will be able to raise any equity financing or sell any our products at a profit.

During the nine months ended September 30, 2003, the president issued a note payable to the Company in the amount of $84,000. The note accrues interest at 7%, is unsecured, and is due on demand.

During the nine months ended September 30, 2003, the president did not receive any amounts related to his salary. Thus the Company recorded a salary expense and contributed capital for the fair value the president's services. During the nine months ended September 30, 2003 the president contributed $45,000 in the form of his salary and cash.

Item 3. Controls and Procedures.

(a) Evaluation of disclosure controls and procedures. Based on their evaluation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")), the Company's principal executive officer and principal financial officer have concluded that as of the end of the period covered by this quarterly report on Form 10-QSB such disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

(b) Changes in internal control over financial reporting. During the quarter under report, there was no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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.

None.

Item 5. Other Information.

None.

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

(a) Exhibits.

Exhibit	31.1	Certification.
Exhibit	31.2	Certification.
Exhibit	32.1	Certification.
Exhibit	32.2	Certification.

(b) Reports on Form 8-K.

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.

BENTLEYCAPITALCORP.COM INC.

Date: November 12, 2003 (signed) ________________________________

By: /s/ Edward Alexander
Edward Alexander
Chief Executive Officer,
Director, President, and
Chief Accounting Officer