

Teacher's Pet, Inc.
Form 10-Q
August 04, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended: June 30, 2008

Or

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: 333-138944

TEACHER S PET, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

20-1681362

(I.R.S. Employer Identification No.)

2415 W. Weatherby Way, Chandler, AZ

(Address of principal executive offices)

85248

(Zip Code)

(702) 430-9166

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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.

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Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.:

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Common Stock, \$0.001 par value
(Class)

3,440,500 shares
(Outstanding as at June 30, 2008)

TEACHER S PET, INC.
(A Development Stage Company)

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PART I - FINANCIAL INFORMATION

Unaudited Financial Statements

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and pursuant to the rules and regulations of the Securities and Exchange Commission ("Commission"). While these statements reflect all normal recurring adjustments which are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the financial statements and footnotes thereto, which are included in the Company's Annual Report on Form 10-KSB previously filed with the Commission on March 28, 2008, and subsequent amendments made thereto.

Teacher's Pet, Inc.
(a Development Stage Company)
Condensed Balance Sheets

| Assets | June 30, 2008 (unaudited) | December 31, 2007 (audited) |
|--|--|--|
| Current assets: | | |
| Cash | \$ 3,319 | \$ 9,936 |
| Inventory | 1,510 | 1,516 |
| Total current assets | \$ 4,829 | \$ 11,452 |
| Fixed assets, net of accumulated depreciation of \$2,518 and \$1,960 as of 6/30/08 and 12/31/07, respectively | | |
| | 2,288 | 2,846 |
| Total assets | \$ 7,117 | \$ 14,298 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ - | \$ 2,528 |
| Total current liabilities | - | 2,528 |
| Stockholders' equity | | |
| Common stock, \$0.001 par value, 200,000,000 shares authorized, 3,440,500 shares issued and outstanding | 3,441 | 3,441 |
| Additional paid-in capital | 23,585 | 23,585 |
| (Deficit) accumulated during development stage | (19,909) | (15,256) |
| | 7,117 | 11,770 |
| Total liabilities and stockholders' equity | \$ 7,117 | \$ 14,298 |

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

Teacher's Pet, Inc.
(a Development Stage Company)
Condensed Statements of Operations

| | Three Months Ended | | Six Months Ended | | September 17, 2004 |
|---|--------------------|-----------|------------------|-----------|--------------------|
| | June 30, | | June 30, | | (Inception) to |
| | 2008 | 2007 | 2008 | 2007 | June 30, 2008 |
| Revenue | \$- | \$- | \$- | \$- | \$- |
| Expenses: | | | | | |
| Depreciation expense | 279 | 238 | 558 | 426 | 2,518 |
| General and administrative expenses | 1,000 | 1,142 | 4,095 | 4,561 | 17,387 |
| Total expenses | 1,279 | 1,380 | 4,653 | 5,077 | 19,905 |
| Operating loss | (1,279) | (1,380) | (4,653) | (5,077) | (19,905) |
| Other expenses: | | | | | |
| Interest expense | - | - | - | - | (4) |
| Total other expenses | - | - | - | - | (4) |
| (Loss) before provision for income taxes | (1,279) | (1,380) | (4,653) | (5,077) | (19,909) |
| Provision for income taxes | - | - | - | - | - |
| Net (loss) | \$(1,279) | \$(1,380) | \$(4,653) | \$(5,077) | \$(19,909) |
| Weighted average number of common shares outstanding - basic and fully diluted | 3,440,500 | 3,340,500 | 3,440,500 | 3,274,807 | |
| Net (loss) per share - basic and fully diluted | \$(0.00) | \$(0.00) | \$(0.00) | \$(0.00) | |

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

Teacher's Pet, Inc.
(a Development Stage Company)

Statements of Cash Flows

| | Six Months Ended | | September 17, 2004 |
|--|------------------|-----------|--------------------|
| | June 30, | | (Inception) to |
| | 2008 | 2007 | June 30, 2008 |
| Cash flows from operating activities | | | |
| Net (loss) | \$(4,653) | \$(5,077) | \$(19,909) |
| Adjustments to reconcile net (loss) to net cash (used) by operating activities: | | | |
| Depreciation | 558 | 426 | 2,518 |
| Changes in operating assets and liabilities: | | | |
| (Increase) in inventory | - | (327) | (1,510) |
| Increase (decrease) in accounts payable | (2,522) | 197 | - |
| Net cash (used) by operating activities | (6,617) | (4,781) | (18,901) |
| Cash flows from investing activities | | | |
| Purchase of fixed assets | - | (1,395) | (4,806) |
| Net cash (used) by investing activities | - | (1,395) | (4,806) |
| Cash flows from financing activities | | | |
| Donated capital | - | - | 200 |
| Issuances of common stock | - | - | 26,826 |
| Common stock subscribed | - | - | - |
| Net cash provided by financing activities | - | - | 27,026 |
| Net increase(decrease) in cash | (6,617) | (6,176) | 3,319 |
| Cash - beginning | 9,936 | 20,555 | - |
| Cash - ending | \$3,319 | \$14,379 | \$3,319 |
| Supplemental disclosures: | | | |
| Interest paid | \$- | \$- | \$- |
| Income taxes paid | \$- | \$- | \$- |

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

Teacher s Pet, Inc.

(a Development Stage Company)

Notes to Condensed Financial Statements

Note 1 - Basis of presentation

The interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these consolidated interim financial statements be read in conjunction with the financial statements of the Company for the year ended December 31, 2007 and notes thereto included in the Company's annual report on Form 10-KSB. The Company follows the same accounting policies in the preparation of interim reports.

Results of operations for the interim periods are not indicative of annual results.

Note 2 - History and organization of the company

The Company was organized September 17, 2004 (Date of Inception) under the laws of the State of Nevada, as Teacher s Pet, Inc. The Company has had minimal operations and is considered a development stage company. The business of the Company is to sell supplies for teachers via the Internet. The Company has no operations and in accordance with SFAS #7, the Company is considered a development stage company. The Company is authorized to issue 75,000,000 shares of its \$0.001 par value common stock.

Note 3 - Going concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has incurred a net loss of (\$19,909) for the period from September 17, 2004 (inception) to June 30, 2008, and had no sales. The future of the Company is dependent upon its ability to obtain financing and upon future profitable operations from the development of its business opportunities.

In the event additional capital is required, the President of the Company has agreed to provide funds as a loan over the next twelve-month period, as may be required. However, the Company is dependent upon its ability, and will continue to attempt, to secure equity and/or debt financing. There are no assurances that the Company will be successful and without sufficient financing it would be unlikely for the Company to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might arise from this uncertainty.

Teacher's Pet, Inc.

(a Development Stage Company)

Notes to Condensed Financial Statements

Note 4 - Fixed assets

Fixed assets as of June 30, 2008, consisted of the following:

| | June 30, | |
|--------------------------|-----------------|-----------------|
| | 2008 | 2007 |
| Computer equipment | \$ 4,806 | \$ 2,853 |
| Accumulated depreciation | (2,518) | (1,473) |
| | \$ 2,288 | \$ 1,380 |

During the nine months ended June 30, 2008 and 2007, the Company recorded depreciation expense of \$2,518 and \$1,473, respectively.

Note 5 - Stockholders' equity

The Company is authorized to issue 75,000,000 shares of its \$0.001 par value common stock. The company has only one class of stock. All rights and privileges normally associated with stock ownership are vested in that single class of stock.

On September 17, 2003, the Company issued 1,400,000 shares of its par value common stock as founders' shares to an officer and director in exchange for cash in the amount of \$1,400.

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On September 30, 2004, the sole officer and director of the Company paid for expenses on our behalf in the amount of \$200. The entire amount is donated and has been recorded as additional paid-in capital.

On October 17, 2004, the Company issued 1,600,000 shares of its par value common stock as founders' shares to an officer and director in exchange for cash in the amount of \$3,400.

Through December 2005, the Company issued 320,500 shares of its \$0.001 par value common stock for total cash of \$16,025 in a private placement pursuant to Regulation D, Rule 505, of the Securities Act of 1933, as amended. In addition, there were subscriptions receivable in the amount of \$8,000 for 160,000 shares of par value common stock.

In May 2006, the Company issued 120,000 shares of its par value common stock for total cash of \$6,000 in a private placement pursuant to Regulation D, Rule 505, of the Securities Act of 1933, as amended.

As of June 30, 2008, there have been no other issuances of common stock.

Note 6 - Warrants and options

As of June 30, 2008, there were no warrants or options outstanding to acquire any additional shares of common stock.

Note 7 - Related party transactions

The Company does not lease or rent any property. Office services are provided without charge by an officer and director of the Company. Such costs are immaterial to the financial statements and, accordingly, have not been reflected therein. The officers and directors of the Company are involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between the Company and their other business interests. The Company has not formulated a policy for the resolution of such conflicts.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report contains forward-looking statements, as defined within the Private Securities Litigation Reform Act of 1995, about Teacher's Pet, Inc.'s business, financial condition and prospects that reflect management's assumptions and beliefs based on information currently available. Forward-looking statements may include the words may, could, estimate, intend, continue, believe, expect or anticipate or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Except for our ongoing securities laws, we do not intend, and undertake no obligation, to update any forward-looking statement.

All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our management's assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, Teacher's Pet's actual results may differ materially from those indicated by the forward-looking statements.

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, acceptance of our services, our ability to expand our customer base, management's ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry. There may be other risks and circumstances that management may be unable to predict.

Management's Discussion and Results of Operation

We are in the business of selling products to assist teachers and parents further the education of children aged between kindergarten through sixth grade. Our target market consists primarily of elementary schools and teachers of grades kindergarten through sixth initially in the Phoenix, Arizona and Las Vegas, Nevada metropolitan areas. We also believe that parents who home-school their children may also be attracted to our proposed products. We believe that children may benefit from being exposing to educational stimuli at an early age outside the classroom environment.

Since our inception on September 17, 2004 to June 30, 2008, we have not generated any revenues and have only incurred expenses related to the implementation and pursuit of our business objectives. In our efforts to establish a

base of operations, we spent a total of \$1,279 during the three month period ended June 30, 2008, consisting of \$279 in depreciation expense related to our computer equipment, as well as \$1,000 in general and administrative expenses consisting of office-related expenses and professional fees. In comparison, during the three months ended June 30, 2007, our total operating expenses were \$1,380, \$238 of which is attributable to depreciation expense and \$1,142 to general and administrative expenses. We cannot predict the level and impact of future expenditures.

In the six months ended June 30, 2008, total operating expenses were \$4,653, of which \$4,095 was general and administrative and \$558 was depreciation expense. In contrast, total operating expenses during the year ago six month period ended June 30, 2007 were \$5,077, \$4,651 of which is attributable to general and administrative expenses and \$426 in depreciation expense.

Aggregate operating expenses from our inception through June 30, 2008 were \$19,909, of which \$2,518 is attributable to depreciation expense and \$17,387 in general and administrative expenses related to the execution of our business plan. No development related expenses have been or will be paid to our affiliates. We expect to continue to incur general and administrative expenses for the foreseeable future, although we cannot estimate the extent of these costs.

As a result of our lack of revenues and incurring ongoing expenses related to the implementation of our business, we have experienced net losses in all periods since our inception on September 17, 2004. In the three month period ended June 30, 2008, our net loss totaled \$1,279, compared to a net loss of \$1,380 in the prior three month period ended June 30, 2007. During the six months ended June 30, 2008, our net loss was \$4,653, compared to a net loss of \$5,077 in the year ago six month period ended June 30, 2007. Since our inception, we have accumulated net losses in the amount of \$19,909. We anticipate incurring ongoing operating losses and cannot predict when, if at all, we may expect these losses to plateau or narrow. We have not been profitable from our inception in 2004 through present 2008. There is significant uncertainty projecting future profitability due to our history of losses and lack of revenues.

Generating sales in the next 12 months is important to support our business. In order for us to achieve profitability and support our planned ongoing operations, we estimate that we must begin generating a minimum of \$15,000 in sales over the next 12 months. Our focus continues to be approaching school educators, administrators and parents directly with our product offerings. However, to date, we have not realized any sales utilizing this sales technique.

We are currently working to develop a revised marketing scheme to generate awareness of our company and, resultantly, sales. Unfortunately, we cannot guarantee that we will generate any sales, let alone achieve our target of \$15,000 in annual sales. Additionally, given our minimal level of cash in the amount of \$3,319 and saleable inventory of only \$1,510 as at June 30, 2008, we do not believe we are capable of attaining this sales goal over the next 12 months.

Our management believes we are in a precarious financial position and may be unable to maintain our operations through the year ended December 31, 2008, assuming our revenues and expenses remain stable, of which there can be no guarantee. Our management expects that we will continue to experience net cash out-flows for the fiscal year 2008, and for the foreseeable future, given developmental nature of our business. We cannot predict the stability of current or projected overhead or that we will generate sufficient revenues to maintain our operations without the need for additional capital. Our ability to fund our operating expenses is doubtful, and we cannot guarantee that we will be able to satisfy such. Our management believes that we require immediate additional financing, through offerings of our equity and/or debt securities, or derivation thereof. There are no formal or informal agreements to attain such financing. We can not assure you that any financing can be obtained or, if obtained, that it will be on reasonable terms. Without realization of additional capital, it would be unlikely for us to continue as a going concern. As such, our principal accountants have expressed substantial doubt about our ability to continue as a going concern because we have limited operations and have not fully commenced planned principal operations.

Our management does not anticipate the need to hire additional full- or part- time employees over the next 12 months, as the services provided by our current officers and directors appear sufficient at this time. Our officers and directors work for us on a part-time basis, and are prepared to devote additional time, as necessary. We do not expect to hire any additional employees over the next 12 months.

There are no known trends, events or uncertainties, other than those disclosed heretofore, that have had or that are reasonably expected to have a material impact on our revenues from continuing operations.

Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed by us in our reports filed under the Securities Exchange Act, is recorded, processed, summarized and reported within

the time periods specified by the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that this information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Based on an evaluation as of the end of the period covered by this report, Tracie Hadama, who serves as our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, were effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

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

PART II - OTHER INFORMATION

Unregistered Sales of Equity Securities

In December 2005, we sold an aggregate of 320,500 shares of our common stock to 29 shareholders, none of whom are affiliates of Teacher's Pet. The shares were issued at a price of \$0.05 per share for total cash in the amount of \$16,025, of which \$8,000 was considered subscriptions receivable at December 31, 2005, and were subsequently cleared in January 2006. The shares bear a restrictive transfer legend. This December 2005 transaction (a) involved no general solicitation, (b) involved less than thirty-five non-accredited purchasers and (c) relied on a detailed disclosure document to communicate to the investors all material facts about Teacher's Pet, Inc., including an audited balance sheet, statements of income, changes in stockholders' equity and cash flows. Each purchaser was given the opportunity to ask questions of us. Thus, we believe that the offering was exempt from registration under Regulation D, Rule 505 of the Securities Act of 1933, as amended.

In May 2006, we sold an aggregate of 120,000 shares of our common stock to three shareholders, none of whom are affiliates of Teacher's Pet. The shares were issued at a price of \$0.05 per share for total cash in the amount of \$6,000. The shares bear a restrictive transfer legend. This May 2006 transaction (a) involved no general solicitation, (b) involved less than thirty-five non-accredited purchasers and (c) relied on a detailed disclosure document to communicate to the investors all material facts about Teacher's Pet, Inc., including an audited balance sheet, statements of income, changes in stockholders' equity and cash flows. Each purchaser was given the opportunity to ask questions of us. Thus, we believe that the offering was exempt from registration under Regulation D, Rule 505 of the Securities Act of 1933, as amended.

Exhibits and Reports on Form 8-K

Exhibit

| Number | Name and/or Identification of Exhibit |
|--------|---|
| 3 | Articles of Incorporation & By-Laws |
| | (a) Articles of Incorporation * |
| | (b) By-Laws * |
| 31 | Rule 13a-14(a)/15d-14(a) Certifications |

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32 Certification under Section 906 of the Sarbanes-Oxley Act (18 U.S.C. Section 1350)

* Incorporated by reference to the Registration Statement on Form SB-2, previously filed with the SEC on November 24, 2006.

SIGNATURES

Pursuant to the requirements of the Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEACHER S PET, INC.

(Registrant)

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|---|--|----------------|
| <u>/s/ Tracie Hadama</u> Tracie Hadama | Chief Executive Officer and President | August 4, 2008 |
| <u>/s/ Tracie Hadama</u> Tracie Hadama | Treasurer and Chief Financial Officer | August 4, 2008 |
| <u>/s/ Tracie Hadama</u> Tracie Hadama | Chief Accounting Officer | August 4, 2008 |

