

Pinacle Enterprise, Inc.
Form 10-Q
August 19, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended **June 30, 2013**

Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to _____

Commission File Number: **333-175044**

Pinacle Enterprise, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

98-0661455

(IRS Employer Identification No.)

3651 Lindell Road, Suite D # 356

Las Vegas, Nevada 89103

(Address of principal executive offices)

(702) 273-9714

(Registrant's telephone number)

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

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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 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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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.

Large accelerated filer Accelerated filer Non-accelerated filer
 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

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
373,000,000 shares as of August 19, 2013.

Table of Contents

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I – FINANCIAL INFORMATION</u>	
Item 1: <u>Consolidated Financial Statements</u>	3
Item 2: <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	4
Item 3: <u>Quantitative and Qualitative Disclosures About Market Risk</u>	8
Item 4: <u>Controls and Procedures</u>	8
<u>PART II – OTHER INFORMATION</u>	
Item 1: <u>Legal Proceedings</u>	9
Item 1A: <u>Risk Factors</u>	9
Item 2: <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	9
Item 3: <u>Defaults Upon Senior Securities</u>	9
Item 4: <u>Mine Safety Disclosures</u>	9
Item 5: <u>Other Information</u>	9
Item 6: <u>Exhibits</u>	9

Table of Contents

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Our financial statements included in this Form 10-Q are as follows:

- F-1 Consolidated Balance Sheets as of June 30, 2013 and December 31, 2012 (unaudited)
- F-2 Consolidated Statements of Operations for the three months ended June 30, 2013 and 2012, the six months ended June 30, 2013 and period from March 1, 2012 (Inception) to June 30, 2013 and 2012 (unaudited)
- F-3 Consolidated Statements of Cash Flows for the six months ended June 30, 2013 and period from March 1, 2012 (Inception) to June 30, 2013 and 2012 (unaudited)
- F-4 Consolidated Notes to Financial Statements

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the SEC instructions to Form 10-Q. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the interim period ended June 30, 2013 are not necessarily indicative of the results that can be expected for the full year.

Table of Contents

PINACLE ENTERPRISE, INC.

(A Development Stage Company)

Condensed Consolidated Balance Sheets

(Expressed in US dollars)

	June 30, 2013 \$ (unaudited)	December 31, 2012 \$
ASSETS		
Cash	207,000	145
Total Assets	207,000	145
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	17,539	10,759
Due to related parties	3,489	17,162
Note payable – related party	61,500	7,000
Note payable	500,000	—
Total Current Liabilities	582,528	34,921
STOCKHOLDERS' DEFICIT		
Preferred Stock		
Authorized: 20,000,000 common shares with a par value of \$0.01 per share	—	—
Issued and outstanding: nil preferred shares		
Common Stock		
Authorized: 900,000,000 common shares with a par value of \$0.001 per share	623,000	630,000
Issued and outstanding: 623,000,000 common shares		
Additional Paid-In Capital	(623,000)	(630,000)
Accumulated Deficit during the development stage	(375,528)	(34,776)
Total Stockholders' Deficit	(375,528)	(34,776)
Total Liabilities and Stockholders' Deficit	207,000	145

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

Table of Contents

PINACLE ENTERPRISE, INC.

(A Development Stage Company)

Condensed Consolidated Statements of Operations

(Expressed in US dollars)

(unaudited)

	For the three months ended June 30, 2013 \$	For the three months ended June 30, 2012 \$	For the six months ended June 30, 2013 \$	Period from March 1, 2012 (date of inception) to June 30, 2012 \$	Accumulated from March 1, 2012 (date of inception) to June 30, 2013 \$
Revenue	—	—	—	—	—
Operating expenses					
Advertising	75,439	—	97,854	—	97,854
Consulting fees	153,500	—	201,830	—	206,190
General and administrative	19,633	388	21,094	788	51,510
Professional fees	10,500	—	10,500	—	10,500
Total operating expenses	259,072	388	331,278	788	366,054
Loss before other expenses	(259,072)	(388)	(331,278)	(788)	(366,054)
Other expenses					
Interest expense	(9,474)	—	(9,474)	—	(9,474)
Total other expenses	(9,474)	—	(9,474)	—	(9,474)
Net loss	(268,546)	(388)	(340,752)	(788)	(375,528)
Net loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	
Weighted average shares outstanding – basic and diluted	623,000,000	623,000,000	623,000,000	623,000,000	

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

F-2

Table of Contents

PINACLE ENTERPRISE, INC.

(A Development Stage Company)

Condensed Consolidated Statements of Cashflows

(Expressed in US dollars)

(unaudited)

	For the six months ended June 30, 2013 \$	Period from March 1, 2012 (date of inception) to June 30, 2012 \$	Accumulated from March 1, 2012 (date of inception) to June 30, 2013 \$
Operating Activities			
Net loss for the period	(340,752)	(788)	(375,528)
Adjustments to reconcile net loss to net cash used in operating activities:			
Expenses paid on behalf of the Company by a related party	—	788	21,915
Expenses paid on behalf of the Company	63,000	—	63,000
Changes in operating assets and liabilities:			
Accounts payable	6,779	—	17,538
Net cash used in operating activities	(270,973)	—	(273,075)
Financing Activities			
Proceeds from note payable	500,000	—	500,000
Proceeds from related parties	7,985	—	14,200
Repayments to related parties	(21,657)	—	(25,625)
Repayments of note payable	(8,500)	—	(8,500)
Net cash provided by financing activities	477,828	—	480,075
Increase in cash	206,855	—	207,000
Cash, beginning of period	145	—	—
Cash, end of period	207,000	—	207,000

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Non-cash investing and financing activities:

Issuance of founders' shares	—	1,000	—
Supplemental Disclosures			
Interest paid	—	—	—
Income tax paid	—	—	—

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

F-3

Table of Contents

PINACLE ENTERPRISE, INC.

(A Development Stage Company)

Notes to the Condensed Consolidated Financial Statements

(unaudited)

1. Nature of Operations and Continuance of Business

Pinnacle Enterprise Inc. (the "Company") was incorporated under the laws of the State of Nevada on April 19, 2010. The Company is a development stage company as defined by FASB guidelines. The Company is in the business of manufacturing bottled/canned alkaline, antioxidant and oxygenated water.

These financial statements have been prepared on a going concern basis, which implies that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. As of June 30, 2013, the Company has not recognized any revenue, has a working capital deficit of \$375,528 and an accumulated deficit of \$375,528. The continuation of the Company as a going concern is dependent upon the continued financial support from its management, and its ability to identify future investment opportunities and obtain the necessary debt or equity financing, and generating profitable operations from the Company's future operations. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") and are expressed in U.S. dollars. All inter-company accounts and transactions have been eliminated. The Company's fiscal year end is December 31.

b) Use of Estimates

The preparation of financial statements in conformity with US GAAP 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. The Company regularly evaluates estimates and assumptions related to the deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

c) Interim Financial Statements

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

These interim condensed financial statements follow the same significant accounting policies and methods of application as the Company’s annual financial statements for the year ended December 31, 2012. The results of operations for the interim periods may not be indicative of results to be expected for the full fiscal year. It is suggested that these condensed financial statements be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2012.

F-4

Table of Contents

PINACLE ENTERPRISE, INC.

(A Development Stage Company)

Notes to the Condensed Consolidated Financial Statements

(unaudited)

2. Summary of Significant Accounting Policies (continued)
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