Teacher's Pet, Inc.
Form 10-Q
May 08, 2009

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended: March 31, 2009

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	20-1681362
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1052 Las Palmas Entrada Henderson, Nevada	89012
(Address of principal executive offices)	(Zip Code)

(702) 430-9166
(Registrant's telephone number, including area code)

2415 W. Weatherby Way
Chandler, AZ 85248
(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.
Yes [X] 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 [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes [X] 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	3,440,500 shares
(Class)	(Outstanding as at May 8, 2009)

TEACHER'S PET, INC.
Form 10-Q
For the period ended March 31, 2009

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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-K previously filed with the Commission on March 16, 2009.

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

	March 31, 2009	December 31, 2008
Current assets:		
Cash	$ 694	$ 694
Inventory	997	997
Total current assets	$ 1,691	$ 1,691
Fixed assets, net of accumulated depreciation of $3,355 and $3,076 as of 3/31/2009 and 12/31/2008, respectively	1,451	1,730
Total assets	$ 3,142	$ 3,421
Liabilities and Stockholders’ Equity		
Current liabilities:		
Accounts payable	$ 3,250	$ -
Total current liabilities	3,250	-
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	23,584	23,584
(Deficit) accumulated during development stage	(27,133)	(23,604)
	(108)	3,421
Total liabilities and stockholders’ equity	$ 3,142	$ 3,421

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

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

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	September 17, 2004 (Inception) to March 31, 2009
Revenue	$ -	$ -	$ -
Expenses:			
Depreciation expense	279	279	3,355
General and administrative expenses	3,250	3,095	23,261
Total expenses	3,529	3,374	26,616
Operating loss	(3,529)	(3,374)	(26,616)
Other expenses:			
Interest expense	-	-	(4)
Impairment of inventory	-	-	(513)
Total other expenses	-	-	(517)
(Loss) before provision for income taxes	(3,529)	(3,374)	(27,133)
Provision for income taxes	-	-	-
Net (loss)	$ (3,529)	$ (3,374)	$ (27,133)
Weighted average number of common shares outstanding – basic and fully diluted	3,440,500	3,440,500	
Net (loss) per share – basic and fully diluted	$ (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
(unaudited)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	September 17, 2004 (Inception) to March 31, 2009
Operating activities			
Net (loss)	$ (3,529)	$ (3,374)	$ (27,133)
Adjustments to reconcile net (loss) to net cash (used) by operating activities:			
Depreciation	279	279	3,355
Changes in operating assets and liabilities:			
(Increase) in inventory	-	-	(997)
Increase (decrease) in accounts payable	3,250	(2,522)	3,250
Net cash (used) by operating activities	-	(5,617)	(21,525)
Cash flows from investing activities			
Purchase of fixed assets	-	-	(4,806)
Net cash (used) by investing activities	-	-	(4,806)
Cash flows from financing activities			
Donated capital	-	-	200
Issuances of common stock	-	-	26,825
Common stock subscribed	-	-	-
Net cash provided by financing activities	-	-	27,025
Net increase(decrease) in cash	-	(5,617)	694
Cash – beginning	694	9,936	-
Cash – ending	$ 694	$ 4,319	$ 694
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
(Unaudited)

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, 2008 and notes thereto included in the Company's Form 10-K annual report. 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 ($27,133) for the period from September 17, 2004 (inception) to March 31, 2009, 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. 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. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

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.

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Teacher's Pet, Inc.
(a Development Stage Company)
Notes to Condensed Financial Statements
(Unaudited)

Note 4 – Fixed assets

Fixed assets as of March 31, 2009, consisted of the following:

	March 31, 2009	March 31, 2008
Computer equipment	$ 4,806	$ 2,853
Accumulated depreciation	(3,355)	(2,239)
	$ 1,451	$ 2,567

During the three months ended March 31, 2009 and 2008, the Company recorded depreciation expense of $279 and $279, 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.

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 March 31, 2009, there have been no other issuances of common stock.

Note 6 – Warrants and options

As of March 31, 2009, there were no warrants or options outstanding to acquire any additional shares of common stock.

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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 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 objections of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements or 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, managements' 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 March 31, 2009, 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 $3,529 during the three month period ended March 31, 2009, consisting of $279 in depreciation expense related to our computer equipment, as well as $3,250 in general and administrative expenses related to public reporting costs. In comparison, during the three months ended March 31, 2008, our total operating expenses were $3,374, $279 of which is attributable to depreciation expense and $3,095 to general and administrative expenses. We cannot predict the level and impact of future expenditures.

Aggregate operating expenses from our inception through March 31, 2009 were $26,616, of which $3,355 is attributable to depreciation expense and $23,261 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.

During the year ended December 31, 2008, we reviewed our physical inventory. Based on management's estimates, we impaired various items in inventory due to current economic conditions, anticipated customer demand and an overall evaluation of the market for such similar products. Since our inception to March 31, 2009, we recorded a provision for inventory losses of $513 to write down inventory to its net realizable value. This was based on our management's best estimates of product sales prices and customer demand patterns, and our plans to transition our products. We did not record any impairment to inventory during the three month periods ended March 31, 2009 and 2008.

Since our inception to March 31, 2009, we have incurred interest expense in the amount of $4, related specifically to credit card interest charges. We did not incur any interest expense in the three month periods ended March 31, 2009 and 2008.

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 March 31, 2009, our net loss totaled $3,529, compared to a net loss of $3,374 in the three month period ended March 31, 2008. Since our inception, we have accumulated net losses in the amount of $27,133. We have not been profitable from our inception in 2004 through present 2009. There is significant uncertainty projecting future profitability due to our history of losses and lack of revenues. We anticipate incurring ongoing operating losses for the foreseeable future and cannot provide any guidance otherwise. We have no recurring or guaranteed source of revenues and cannot predict when, if ever, we will become profitable. We anticipate incurring ongoing operating losses and cannot predict when, if at all, we may expect these losses to plateau or narrow. There is significant uncertainty projecting future profitability due to our minimal operating history and lack of guaranteed ongoing revenue streams.

In order for us to achieve profitability and support our planned ongoing operations, we believe that we must generate a minimum of approximately $10,000 - $15,000 in sales per year. However, we cannot guarantee that we will generate any sales, let alone achieve that target. We believe that to generate the minimum required amount of revenues to continue as a going concern, we must further our efforts to establish our brand name. In our current state, we are unable to determine when, if ever, we will be able to realize any sales of our educational products. Personal discussions between our sole officer and director and educators in the primary and secondary grade levels have indicated financial stress has caused many teachers to reduce their expenditures on teaching materials and, in some cases, the money spent on daily classroom supplies. Given this non-scientific research data obtained through first-hand candid interviews, we believe our future business environment to be challenging, at best. As a result, we cannot guarantee that we will generate any sales, let alone achieve our target of $10,000 - $15,000 in annual sales. Additionally, as we have minimal existing inventory, in the amount of $997, and inadequate capital to purchase additional inventory for sale, we do not expect to generate sufficient revenues to meet our expenses over the next 12 months, we believe we will need to raise additional capital by issuing capital stock or debt instruments in exchange for cash in order to continue as a going concern. We cannot assure you that any financing can be obtained or, if obtained, that it will be on reasonable terms. In the event we are unable to obtain further funding, we will be unable to conduct further operations and, consequently, go out of business. Without realization of additional capital, it would be unlikely for us to continue as a going concern.

Our management believes we are in a precarious financial position and may be unable to maintain our operations through the year ended December 31, 2009, 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 2009, 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

Management's Report On Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

1. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of March 31, 2009, management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and SEC guidance on conducting such assessments. Based on that evaluation, they concluded that, during the period covered by this report, such internal controls and procedures were not effective to detect the inappropriate application of US GAAP rules as more fully described below. This was due to deficiencies that existed in the design or operation of our internal controls over financial reporting that adversely affected our internal controls and that may be considered to be material weaknesses.

The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were:

1. Lack of a functioning audit committee due to a lack of a majority of independent members and a lack of a majority of outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures;

2. Inadequate segregation of duties consistent with control objectives; and

3. Ineffective controls over period end financial disclosure and reporting processes.

The aforementioned material weaknesses were identified by our Chief Executive Officer in connection with the review of our financial statements as of March 31, 2009.

Management believes that the material weaknesses set forth in items (2) and (3) above did not have an effect on our financial results. However, management believes that the lack of a functioning audit committee and the lack of a majority of outside directors on our board of directors results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in our financial statements in future periods.

Management’s Remediation Initiatives

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we have initiated, or plan to initiate, the following series of measures:

We will create a position to segregate duties consistent with control objectives and will increase our personnel resources and technical accounting expertise within the accounting function when funds are available to us. And, we plan to appoint one or more outside directors to our board of directors who shall be appointed to an audit committee resulting in a fully functioning audit committee who will undertake the oversight in the establishment and monitoring of required internal controls and procedures such as reviewing and approving estimates and assumptions made by management when funds are available to us.

Management believes that the appointment of one or more outside directors, who shall be appointed to a fully functioning audit committee, will remedy the lack of a functioning audit committee and a lack of a majority of outside directors on our Board.

We anticipate that these initiatives will be at least partially, if not fully, implemented by September 30, 2009. Additionally, we plan to test our updated controls and remediate our deficiencies by September 30, 2009.

Changes in internal controls over financial reporting

There was no change in our internal controls over financial reporting that occurred during the period covered by this report, which has materially affected, or is reasonably likely to materially affect, our internal controls 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
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.

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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)

Signature	Title	Date
/s/ Tracie Hadama Tracie Hadama	Chief Executive Officer and President	May 8, 2009
/s/ Tracie Hadama Tracie Hadama	Treasurer and Chief Financial Officer	May 8, 2009
/s/ Tracie Hadama Tracie Hadama	Chief Accounting Officer	May 8, 2009