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NOVAMED INC
Form 10QSB
May 15, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2003.

Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission file number: 000-26927

NOVAMED, INC.

(Exact name of small business issuer as specified in its charter)

NEVADA 77-0443643

(State or other jurisdiction of (I.R.S. Employer incorporation or organization) Identification No.)

1403 East 900 South, Salt Lake City, Utah 84105
(Address of principal executive office) (Zip Code)

(801) 582-9609
(Issuer's telephone number)

Check whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 XX No

The number of outstanding shares of the registrant's common stock, \$0.001 par value (the only class of voting stock), as of May 13, 2003 was 1,299,858

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PART I

ITEM 1. FINANCIAL STATEMENTS

As used herein, the term "Company" refers to NovaMed, Inc., a Nevada corporation, unless otherwise indicated. In the opinion of management, the accompanying unaudited financial statements included in this Form 10-QSB reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

NOVAMED, INC.

(A Development Stage Company)
UNAUDITED BALANCE SHEET
March 31, 2003

ASSETS

Current assets - cash

\$

Total assets

\$

LIABILITIES AND STOCKHOLDERS' DEFICIT

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Current liabilities:		
Accounts payable		\$
Note payable		--
Total current liabilities		--
Commitments		
Stockholders' deficit:		
Common stock, \$.001 par value, 50,000,000 shares		
authorized, 1,299,858 shares issued and outstanding		
Additional paid-in capital		
Accumulated deficit		
Retained earnings accumulated during the development stage		--
Total stockholders' deficit		--
Total liabilities and stockholders' deficit		\$
		==

The accompanying notes are an integral part of these financial statements

	NOVAMED, INC.	

	(A Development Stage Company)	
	UNAUDITED STATEMENTS OF OPERATIONS	
	Three Months Ended	
	March 31,	
	-----	-----
	2003	2002
	-----	-----
Revenue	\$ -	
General and administrative costs	7,312	10,9
	-----	-----
Loss from operations	(7,312)	(10,9
Other income:		

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Gain on disposal of assets		-	
Other income		-	6,
		-----	-----
		-	6,
		-----	-----
Income (loss) before income taxes		(7,312)	(4,1
Provision for income taxes		-	
		-----	-----
Net income (loss)	\$	(7,312)	(4,1
		=====	=====
Loss per common share - basic and diluted	\$	-	
		=====	=====
Weighted average common shares - basic and diluted		1,300,000	870,
		=====	=====

The accompanying notes are an integral part of these financial statements

NOVAMED, INC.

(A Development Stage Company)

UNAUDITED STATEMENTS OF CASH FLOWS

Three Months Ended
March 31,

		2003	2002
		-----	-----
Cash flows from operating activities:			
Net income (loss)	\$	(7,312)	(4,17
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation		-	4,4
Gain on disposal of assets		-	
Gain on settlement of accrued interest		-	(6,76

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Stock issued to related party for services	-	
Decrease in receivables	-	15,0
Increase (decrease) in accounts payable	4,302	1,4
	-----	-----
Net cash provided by (used in) operating activities	(3,010)	9,9
	-----	-----
Cash flows from investing activities:	-	
-----	-----	-----
Cash flows from financing activities:	-	
-----	-----	-----
Net increase (decrease) in cash	(3,010)	9,9
Cash, beginning of period	9,145	10,0
	-----	-----
Cash, end of period	\$ 6,135	19,9
	=====	=====

The accompanying notes are an integral part of these financial statements

NOVAMED, INC.
(A Development Stage Company)
UNAUDITED NOTES TO FINANCIAL STATEMENTS
March 31, 2003

Note 1 - Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared by management in accordance with the instructions in Form 10-QSB and, therefore, do not include all information and footnotes required by generally accepted accounting principles and should, therefore, be read in conjunction with the Company's Form 10-KSB for the year ended December 31, 2002, filed with the Securities and Exchange Commission. These statements do include all normal recurring adjustments which the Company believes necessary for a fair presentation of the statements. The interim operations are not necessarily indicative of the results to be expected for the full year ended December 31, 2003. Cumulative amounts include amounts since inception of development stage on January 1, 2002

Note 2 - Additional Footnotes Included By Reference

Except as indicated in Notes above, there have been no other material changes in the information disclosed in the notes to the financial statements included in the Company's Form 10-KSB for the year ended December 31, 2002, filed with the Securities and Exchange Commission. Therefore, those footnotes are included herein by reference.

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Note 3 - Going Concern

At March 31, 2003 the Company had a working capital deficit, an accumulated deficit, and has incurred losses since inception as well as negative cash flow from operations and the termination of its licensing agreement for its breast implants. These conditions raise substantial doubt about the ability of the Company to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company's ability to continue as a going concern is subject to obtaining necessary funding from outside sources. The Company intends to begin seeking a potential merger partner and cash infusion through a reverse acquisition transaction. There can be no assurance that the Company will be successful in these efforts.

ITEM 2.

MANAGEMENT'S PLAN OF OPERATION

When used in this discussion, the words "believes", "anticipates", "expects", and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, that speak only as of the date hereof. The Company undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Readers are also urged to carefully review and consider the various disclosures made by the Company that attempt to advise interested parties of the factors which affect the Company's business, in this report, as well as the Company's periodic reports on Forms 10-KSB, 10-QSB and 8-K filed with the Securities and Exchange Commission.

Plan of Operation

The Company's plan of operation for the coming year, as discussed above, is to identify and acquire a favorable business opportunity. The Company does not plan to limit its options to any particular industry, but will evaluate each opportunity on its merits. Management believes that the Company has sufficient resources to meet the anticipated needs of the Company's operations through at least the calendar year ending December 31, 2003. However, there can be no assurances to that effect, as the Company has no revenues and the Company's need for capital may change dramatically if it acquires an interest in a business opportunity during that period. Further, the Company has no plans to raise additional capital through private placements or public registration of its securities until a merger or acquisition candidate is identified.

The Company projects that if no acquisition candidate is found for the Company within the next twelve months its operating requirements will not exceed \$10,000. Further, the Company's president, Ruairidh Campbell will provide his expertise in preparing the necessary documentation to keep the Company current with its reporting requirements with the SEC and those costs will accrue on the Company's balance sheet.

The Company has not yet entered into any agreement, nor does it have any commitment or understanding to enter into or become engaged in any transaction, as of the date of this filing. Any decision to participate in a specific business opportunity will be made based upon a Company analysis of the merits of the prospective business based on objective criteria.

ITEM 3. CONTROLS AND PROCEDURES

The Company's president acts both as the Company's chief executive officer and chief financial officer ("Certifying Officer") and is responsible for establishing and maintaining disclosure controls and procedures for the Company. The Certifying Officer has concluded (based on his evaluation of these controls and procedures as of a date within 90 days of the filing of this report) that the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934) are effective. No significant changes were made in the Company's internal controls or in other factors that could significantly affect those controls subsequent to the date of the evaluation, including any corrective actions with regard to slight deficiencies and material weaknesses. Due to the Certifying Officer's dual role as chief executive officer and chief financial officer, the Company has no segregation of duties related to internal controls.

PART II

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits required to be attached by Item 601 of Regulation S-B are listed in the Index to Exhibits on page 12 of this Form 10-QSB, and are incorporated herein by this reference.
- (b) Reports on Form 8-K. No reports on Form 8-K were filed during the period covered by this report.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, hereunto duly authorized, this 14th day of May, 2003.

NOVAMED, INC.

/s/ Ruairidh Campbell

Ruairidh Campbell
President, Chief Financial Officer, and Director

CERTIFICATION PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED BY THE SECURITIES AND EXCHANGE COMMISSION UNDER THE
SARBANES-OXLEY ACT OF 2002

I, Ruairidh Campbell, chief executive officer and chief financial officer of NovaMed, Inc. certify:

1. I have reviewed this quarterly report on Form 10-QSB of NovaMed, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

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3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) Presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. I have disclosed, based on my most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of my most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 15, 2003

/s/ Ruairidh Campbell
Ruairidh Campbell
Chief Executive Officer and Chief Financial Officer

INDEX TO EXHIBITS

EXHIBIT NO.	PAGE NO.	DESCRIPTION
3(i)(a)	*	Articles of Incorporation of the Company formally known as Conceptual Technology Inc. a Nevada corporation dated November 26, 1996 (incorporated herein by reference from Exhibit No. 2(i) to the Company's Form 10SB12G/A as filed with the SEC on November 29, 1999).
3(i)(b)		* Certificate of Amendment of the Articles of Incorporation of the Company filed on August 29, 1997 effecting a 1-for-14 reverse split and rounding each fractional share to one whole share (incorporated herein by reference from Exhibit 2(ii) of the Company's Form 10SB12G/A as filed with the SEC on November

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29, 1999).

- 3(i)(c) * Certificate of Amendment of the Articles of Incorporation of the Company changing name from Conceptual Technologies, Inc. to NovaMed, Inc. (incorporated herein by reference from Exhibit 2(iii) of the Company's Form 10SB12G/A as filed with the SEC on November 29, 1999).
- 3(ii) * Bylaws of the Company adopted on November 12, 1996 (incorporated herein by reference from Exhibit 2(iv) of the Company's Form 10SB12G/A as filed with the SEC on November 29, 1999).
- 10 * Stock Sale Agreement between the Company and John Olson dated December 17, 2001 to effect the sale of the Company's interest in a former subsidiary (incorporated herein by reference to the Company's Form 8-K filed with the SEC on March 4, 2002).
- 99.1 12 Certification Pursuant to 18 U.S.C. Section 1350, Section 906 of the Sarbanes-Oxley Act of 2002.
- * Incorporated by reference from previous filings of the Company.

EXHIBIT 99.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of the Company on Form 10-QSB for the period ended March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof, I, Ruairidh Campbell, sole Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) This Form 10-QSB complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act; and (2) The financial information contained in this Form 10-QSB fairly present, in all material respects, the financial condition and results of operations of the Company.

/s/ Ruairidh Campbell
Ruairidh Campbell
Sole Executive Officer

May 14, 2003