

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10QSB

ADVANCE TECHNOLOGIES INC
Form 10QSB
August 14, 2002

FORM 10 QSB

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(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, 2002

Or

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

For the transition period _____ to _____

Commission file number 0-27175

ADVANCE TECHNOLOGIES, INC.
(Exact name or registrant as specified in its charter)

Nevada
(State or other jurisdiction
Incorporation or organization)

95-4755369
(I.R.S. Employer
Identification No.)

716 Yarmouth Rd Suite 215
Palos Verdes Estates, CA 90274
(Address of principal executive offices)

Registrant's telephone number, including area code: (310) 265-7776

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 that the registrant was Required to file such reports), and (2) has shorter period been subject to Such filing requirements for the past 90 days.

Yes No

APPLICABLE ONLY TO ISSUES INVOLVED IN BANKRUPTCY.

Indicate by check whether the registrant has filed all documents And reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities Under a plan confirmed by a court.

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

As of June 30, 2002, approximately 12,446,467 shares of the Registrant's Common Stock, \$0.001 par value were outstanding.

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As of June 30, 2002, approximately 43,630,557 shares of the Registrant's Class A Preferred Non-voting Stock par value \$0.001 were outstanding.

ITEM 1. FINANCIAL STATEMENTS

ADVANCE TECHNOLOGIES, INC.

(A Development Stage Company)

Consolidated Financial Statements

June 30, 2002

Chisholm & Associates, CPA
PO Box 540216
North Salt Lake, UT 84054
Tel: (801) 292-8756

ADVANCE TECHNOLOGIES, INC.
(a Development Stage Company)
Consolidated Balance Sheets

ASSETS

June 30, Sep
2002 -----

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	(Unaudited)	
Current Assets		
Cash	\$ 103	\$

Total Current Assets	103	

Property & Equipment, Net	21,402	

Total Assets	\$ 21,505	\$
	=====	
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accrued Interest	\$ 20,702	\$
Note Payable - Officer	40,300	
Advance Royalties	25,000	

Total Current Liabilities	86,002	

Long Term Liabilities		
Line of Credit	85,500	

Total Long Term Liabilities	85,500	

Total Liabilities	171,502	

Stockholders' Equity		
Preferred Stock, Series A Authorized 100,000,000 Shares of \$.001 Par Value, Issued and Outstanding 43,630,557 and 50,204,102 shares, respectively	43,631	
Common Stock, Authorized 100,000,000 Shares of \$.001 Par Value, Issued and Outstanding 12,446,467 and 2,572,923 shares, respectively	12,446	
Additional Paid in Capital	449,796	
Deficit Accumulated During the Development Stage	(655,870)	

Total Stockholders' Equity	(149,997)	

Total Liabilities and Stockholders' Equity	\$ 21,505	\$
	=====	

ADVANCE TECHNOLOGIES, INC.
(a Development Stage Company)
Consolidated Statements of Operations
(Unaudited)

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	For the three months ended June 30,		For the nine months ended June 30,		From ince October thru J 20
	2002	2001	2002	2001	
Revenues	\$ 5,563	\$ -	\$ 23,010	\$ 3,000	\$
Operating Expenses					
Research & Development	-	-	-	-	
General & Administrative	8,533	4,420	35,855	63,750	
Total Operating Expenses	8,533	4,420	35,855	63,750	
Operating Income (Loss)	(2,970)	(4,420)	(12,845)	(60,750)	(
Other Income (Expense)					
Miscellaneous Income	-	-	-	-	
Interest Expense	(5,535)	-	(15,695)	-	
Total Other Income (Expense)	(5,535)	-	(15,695)	-	
Net Income (Loss)	\$ (8,505)	\$ (4,420)	\$ (28,540)	\$ (60,750)	\$ (
Net Income (Loss) Per Share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.02)	\$
Weighted Average Shares Outstanding	12,396,535	2,572,923	8,649,842	2,572,923	

Advance Technologies, Inc.
(a Development Stage Company)
Consolidated Statements of Cash Flows
(Unaudited)

For the nine months ended
June 30,

2002

Cash Flows from Operating Activities

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Net Income (Loss)	\$	(28,540)
Adjustments to Reconcile Net Loss to Net Cash		
Provided by Operations:		
Depreciation & Amortization		5,433
Stock Issued for Services		-
Organization Costs		-
Decrease in Prepaids		-
Change in Assets and Liabilities		
Increase in Deferred Income		-
Increase (Decrease) in Accounts Payable & Accrued Expenses		7,695

Net Cash Provided(Used) by Operating Activities		(15,412)

Cash Flows from Investing Activities		
Investment in Subsidiary		-
Purchase of Equipment		-

Net Cash Provided (Used) by Investing Activities		-

Cash Flows from Financing Activities		
Proceeds from Joint Venture		-
Payments for Officer Loan		-
Proceeds from Officer Loan		12,000
Proceeds from Line of Credit		-
Proceeds from Issuance of Stock		-

Net Cash Provided(Used) by Financing Activities		12,000

Increase (Decrease) in Cash		(3,412)

Cash and Cash Equivalents at Beginning of Period		3,515

Cash and Cash Equivalents at End of Period	\$	103
		=====
Cash Paid For:		
Interest	\$	8,000
		=====
Income Taxes	\$	-
		=====

ADVANCE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to the Consolidated Financial Statements

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June 30, 2002

GENERAL

Advance Technologies, Inc. (the Company) has elected to omit substantially all footnotes to the financial statements for the three and nine months ended June 30, 2002 since there have been no material changes (other than indicated in other footnotes) to the information previously reported by the Company in their Annual Report filed on Form 10-KSB for the fiscal year ended September 30, 2001.

UNAUDITED INFORMATION

The information furnished herein was taken from the books and records of the Company without audit. However, such information reflects all adjustments which are, in the opinion of management, necessary to properly reflect the results of the interim period presented. The information presented is not necessarily indicative of the results from operations expected for the full fiscal year.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATIONS

Advance Technologies Inc. ("AVTX") is a developer of infrared (IR) Enhanced Vision technology and commercial solutions. The Company has a worldwide license from Hughes Aircraft Company, Los Angeles, California, which includes a patent for an infrared Enhanced Vision System. Advance Technologies licenses and develops applied infrared enhanced vision solutions for use in diverse industries including aviation, recreational vehicles, commercial trucking, marine, security and fire fighting applications.

ENHANCED VISION SYSTEM ACTIVITIES

AVTX's Enhance Vision System, our first project; has entered production following its certification last year from the Federal Aviation Administration. Advance Technologies benefits through our license agreement with Kollsman Inc. whereby AVTX achieves royalties that increase in time. Initial EVS systems have been delivered to Gulfstream Aerospace Company, and Gulfstream, in turn, has completed initial deliveries to its customers. As of this filing, Kollsman has not yet provided AVTX an official schedule of its planned EVS production. AVTX will provide guidance based upon production commitments and delivery schedules between Gulfstream Aerospace Company and Kollsman Inc. as this information becomes available.

Last quarter, AVTX and Kollsman had discussed collaboration on an Advanced EVS incorporating AVTX's proprietary technology, which is not included as or a part of the current production EVS. A process was initiated in which Kollsman would provide AVTX with certain hardware items to support AVTX's development activities for the Advanced EVS. As of June 30, this program has not progressed further.

AVTX and Telesis Technologies signed an EVS agreement, which designates Telesis Technologies as our EVS representative for Far East opportunities. This agreement gives Telesis the right to present limited information on EVS and on the benefits that EVS can provide to civil aviation.

Advance Technologies, Inc. also continues its development phase with several projects moving forward at a pace dictated by market conditions, technical

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innovations and market factors.

NITEAGLETM

Telesis Technologies has provided to AVTX a second preproduction NITEAGLETM System, Advance Technologies' proprietary infrared system for recreational vehicles, for our market evaluation and market development activities. Demonstrations and marketing presentations have been conducted in accordance with our plan. The evaluation effort has continued with many discussions with potential partners.

SPECTRUM 9000, MEDICAL EQUIPMENT

AVTX continues to provide export license support under a time & service reimbursement agreement with Telesis Technologies. Telesis has announced no plans for introduction of the Spectrum 9000 into the US market.

HONEYWELL TECHNOLOGY LICENSE

Honeywell International has provided AVTX initial terms for a "field application" and/or "market use" of their Micro-bolometer technology. The terms and conditions are under evaluation by AVTX and our business partner Telesis Technologies.

OTHER IR ACTIVITIES

Advance Technologies Inc. continues development activities on new Infrared systems for commercial markets. These projects cannot be forecast with any degree of certainty, and all strategic partnerships or business arrangements remain confidential until such time as formal announcements are appropriate without compromising the development plan and/or the application marketplace.

CAPITAL RESOURCES

No commitment for capital resources has been made during this reporting period.

FINANCIAL ANALYSIS

The results on the operation represent projects of likely future events that cannot be guaranteed. Therefore, the financial analysis does not include projects, and no quantitative assessment has been provided based upon the future discussion of potential events in Section 3.

The Company has received revenue pursuant to an agent agreement with, that allows the Company to receive fixed monthly service fees, and to bill for additional services provided. The Company records revenues when the services are performed.

The Company is entitled to reimbursement for various expenses associated with the development of its night vision technology pursuant to the joint venture agreement with Telesis Technologies. These reimbursements are recorded as miscellaneous income when received.

No material changes have been provided; therefore impact of unforeseeable events cannot be assessed.

Present financial plans are adequate to meet our cash flow needs with our current project schedule.

ITEM 6. EXHIBITS

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99.1 Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

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

Date: August 13, 2002

Advance Technologies, Inc.
(Registrant)

By: /s/ Gary E. Ball
Gary E. Ball
President and Director