

ACCESS POWER INC
Form 10QSB/A
December 06, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
FORM 10-QSB

/X/

Quarterly Report Under Section 13 or 15(d) of
The Securities Exchange Act of 1934

For the Quarterly Period Ended

September 30, 2001

/ /

Transition Report Under Section 13 or 15(d) of

The Exchange Act For the Transition Period from _____ to _____

Commission File Number 000-_____

Access Power, Inc.

(Is Exact Name of Small Business Issuer as Specified in its Charter)
Florida 59-3420985

(State or other jurisdiction of
incorporation or organization)

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

10033 Sawgrass Dr., W, Ponte Vedra Beach, FL 32082

(Address of principal executive office) (Zip Code)

Issuer's telephone number, including area code: (904) 273-2980

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities 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 X No ____

At November 9, 2001, there were issued and outstanding 93,302,045 shares of Common Stock.

Transitional Small Business Disclosure Format (check one): Yes ____ No X

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Part I. Financial Information

Item 1 Financial Statements

ACCESS POWER, INC.
(A Development Stage Company)

Balance Sheets

As of September 30, 2001 and December 31, 2000

<u>Assets</u>	September 30 2001 (Restated) (unaudited)	December 31, 2000 (Restated)
Current assets:		
Cash	\$ 1,399	\$ 15,452
Certificate of deposit	-	100,000
Accounts receivable	12,321	56,312
Prepaid expenses	622,621	560,993
	<hr/>	<hr/>
Total current assets	636,341	732,757
	<hr/>	<hr/>
Property and equipment	487,241	721,724
Other assets	5,000	8,000
	<hr/>	<hr/>
Total assets	\$ 1,128,582	\$ 1,462,481
	<hr/>	<hr/>
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,402,877	\$ 2,154,321
Current portion of long-term debt	-	112,576
	<hr/>	<hr/>
Total current liabilities	2,402,877	2,266,897
	<hr/>	<hr/>
Long-term debt, less current portion		-
Convertible debentures	-	210,000
	<hr/>	<hr/>
Total liabilities	2,402,877	2,476,897
	<hr/>	<hr/>
Stockholders' equity:		
Common stock, \$.001 par value, authorized 500,000,000 and 100,000,000 shares, issued and outstanding 93,302,045 and 53,089,389 shares at September 30, 2001 and December 31, 2000	93,301	53,087
Notes receivable, stockholders	(362,860)	(402,315)
Preferred stock, \$.001 par value, authorized 10,000,000 shares, issued and outstanding none 2001 and 2000	-	-
Additional paid in capital	13,986,649	12,000,011
Deficit accumulated during the development stage	(14,991,385)	(12,665,199)
	<hr/>	<hr/>

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	<u>(1,274,295)</u>	<u>(1,014,416)</u>
Total liabilities and stockholders' equity	\$ <u>1,128,582</u>	\$ <u>1,462,481</u>

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ACCESS POWER, INC.
(A Development Stage Company)

Statements of Operations

For the three months and nine months ended September 30, 2001 and 2000 and the cumulative period from October 10, 1996 (date of inception) through September 30, 2001 (unaudited)

	Three months ended September 30,		Nine months ended September 30,		For the period October 10, 1996 through September 30, 2001 (Restated)
	2001	2000 (Restated)	2001 (Restated)	2000 (Restated)	
Revenue:					
Software/hardware sales	\$ -	\$ -	\$ -	\$ -	\$ 223,881
Telcommunication services	2,506	66,709	19,866	320,876	585,356
Total revenue	2,506	66,709	19,866	320,876	809,237
Costs and expenses:					
Cost of services	17,653	607,206	390,934	1,180,120	2,194,388
Cost of sales	-	-	-	-	164,605
Product development and marketing	150,455	296,923	582,131	1,130,880	3,281,676
General and administrative	220,578	390,385	1,138,798	1,542,634	6,995,110
Total costs and expenses	388,686	1,294,514	2,111,863	3,853,634	12,635,779
Loss from operations	(386,180)	(1,227,805)	(2,091,998)	(3,532,758)	(11,826,543)
Other income (expense):					
Interest income	-	-	5,293	-	7,673
Interest expense	(15,000)	(156,344)	(239,481)	(2,417,176)	(3,165,635)
Loss on disposal of equipment	-	-	-	-	(6,880)
Total other income (expense)	(15,000)	(156,344)	(234,188)	(2,417,176)	(3,164,842)
Net loss	(401,180)	(1,384,149)	(2,326,186)	(5,949,934)	(14,991,385)
Net loss per share	\$ (0.00)	\$ (0.03)	\$ (0.03)	\$ (0.15)	\$ (0.41)
Weighted average number of shares	92,761,328	43,971,501	85,400,924	39,749,871	36,641,672



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ACCESS POWER, INC.
(A Development Stage Company)

Statements of Cash Flows

For the nine months ended September 30, 2001 and 2000 and the cumulative period
from October 10, 1996 (date of inception) through September 30, 2001
(Unaudited)

	2001 (Restated)	2000 (Restated)	For the period October 10, 1996 through September 30, 2001 (Restated)
	<u> </u>	<u> </u>	<u> </u>
Cash flows from operating activities:			
Net loss	\$ (2,326,186)	\$ (5,949,934)	\$ (14,991,385)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	230,557	102,525	1,045,096
Loss on disposal of property and equipment		-	33,341
Stock issued for services	158,350	47,000	1,152,474
Stock issued for interest	4,481	26,748	115,958
Value of beneficial conversion feature of debentures	235,000	1,900,000	2,575,000
Value of warrants in excess of exercise price	-	322,720	337,120
Change in operating assets and liabilities:			
Accounts receivable	43,991	(1,648)	(119,647)
Accounts payable and accrued expenses	150,032	(209,571)	2,432,106
Other assets	(80,664)	(151,218)	(553,408)
Inventory	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Net cash used in operating activities	(1,584,439)	(2,529,229)	(7,973,345)
	<u> </u>	<u> </u>	<u> </u>
Cash flows from investing activities:			
(Purchase) redemption of certificate of deposit	100,000	-	-
Proceeds from sale of property and equipment	14,800	-	67,120
Purchase of property and equipment	(2,221)	(249,441)	(1,746,305)
Note receivable	39,455	40,400	(362,860)
	<u> </u>	<u> </u>	<u> </u>
Net cash used in investing activities	152,034	(209,041)	(2,042,045)
	<u> </u>	<u> </u>	<u> </u>
Cash flows from financing activities:			
Proceeds from issuance of stock	1,149,102	1,942,217	4,823,379
Proceeds from issuance of notes payable	269,250	3,300,000	5,686,851
Principal payments on notes payable	-	(2,171,440)	(493,441)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided by financing activities	1,418,352	3,070,777	10,016,789
	<u> </u>	<u> </u>	<u> </u>

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Net change in cash	(14,053)	332,507 ⁻	1,399 ⁻
Cash, at beginning of period	<u>15,452</u>	<u>213,885</u>	<u>-</u>
Cash at end of period	<u>\$ 1,399</u>	<u>\$ 546,392⁻</u>	<u>\$ 1,399⁻</u>

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A. Basis of Presentation

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed and omitted pursuant to such rules and regulations, although management believes the disclosures are adequate to make the information presented not misleading. These interim financial statements should be read in conjunction with the Company's annual report and most recent financial statements included in its report on Form 10-KSB for the year ended December 31, 2000 filed with the Securities and Exchange Commission. The interim financial information included herein is unaudited; however, such information reflects all the adjustments (consisting solely of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of results of operations and cash flows for the interim periods. The results of operations for the nine months ended September 30, 2001 are not necessarily indicative of the results to be expected for the full year.

Footnote

1. The financial statements for the nine months ended September 30, 2001 and 2000 have been restated to reflect charges of \$220,000 and \$2,222,720, respectively, for additional interest expense related to the beneficial conversion feature of convertible debentures and warrants as required under *Emerging Issues Task Force 98-5*.

The effects of this prior period adjustment for the nine months ended September 30, 2001 and 2000 are as follows:

	<u>2001</u>	<u>2000</u>
Loss from operations:		
As previously reported	\$(2,091,998)	\$(3,532,758)
As restated	(2,091,998)	(3,532,758)
Net loss:		
As previously reported	(2,091,186)	(3,727,214)
As restated	(2,326,186)	(5,949,934)
Net loss per share:		
As previously reported	(0.02)	(0.09)
As restated	(0.03)	(0.15)
Additional paid-in capital:		
As previously reported	13,766,649	9,677,291 (a)
As restated	13,986,649	12,000,01)(a)
Accumulated deficit:		
As previously reported	(12,079,365)	(9,988,179)(a)
As restated	(14,991,395)	(12,665,199)(a)

(a) Additional paid-in capital and accumulated deficit at December 31, 2000 as previously reported and as restated respectively.

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SIGNATURES

In accordance with the requirements of the Exchange Act, the Company caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ACCESS POWER, INC.

By: */s/ Glenn A. Smith*

Date: December 6, 2001

Glenn A. Smith
President

/s/ Howard L. Kaskel

Date: December 6, 2001

Howard L. Kaskel
Chief Financial Officer
(principal financial and accounting officer)