

Edgar Filing: GLOBAL ASSETS & SERVICES INC - Form 10QSB/A

GLOBAL ASSETS & SERVICES INC
Form 10QSB/A
August 09, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10QSB/A

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

| For Quarter Ended ----- | Commission File Number ----- |
|----------------------------|---------------------------------|
| September 30, 2003 | 0-30145 33-41063-A |

GLOBAL ASSETS & SERVICES, INC.

(Exact name of registrant as specified in its charter)

| | |
|--|--|
| Florida ----- | 59-3723328 ----- |
| State or Other Jurisdiction of incorporation or organization) | (I.R.S. Employer Identification Number) |

3816 W. Linebaugh Ave., Suite 200, Tampa, FL, 33624

(Address of principal Executive Offices) Zip Code)

Registrant's telephone number, including area code: (813) 964-1300

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 the filing requirements for at least the past 90 days.

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.

31,497,767 as of September 30, 2003

GLOBAL ASSETS & SERVICES, INC.
(RESTATED)

(A DEVELOPMENT STAGE COMPANY)
FINANCIAL STATEMENTS

FOR THE NINE-MONTHS ENDED SEPTEMBER 30, 2003

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Michael Johnson & Co., LLC.
9175 Kenyon Ave., #100
Denver, CO 80237
Phone: 303-796-0099
Fax: 303-796-0137

(UNAUDITED)

ACCOUNTANT'S REVIEW REPORT

Board of Directors of
Global Assets and Services, Inc.
Tampa, FL

We have reviewed the accompanying balance sheet for Global Assets & Services, Inc. (a development stage company) for September 30, 2003 and the related statements of operations for the three and nine-months ended September 30, 2003 and 2002 and for the period from May 25, 1988 (inception) to September 30, 2003 and cash flows for the nine-months ended September 30, 2003 and 2002 and for the period from May 25, 1988 (inception) to September 30, 2003, included in the accompanying Securities and Exchange Commission 10-QSB for the period ended September 30, 2003. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are unaware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the balance sheet as of December 31, 2002, and the related statements of operations, stockholders' equity and cash flows for the year then ended (not presented herein). In our report dated March 17, 2003, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying balance sheet as of September 30, 2003 is fairly stated in all material respects in relation to the balance sheet from which it has been derived.

Michael Johnson & Co., LLC
Denver, CO
November 19, 2003
August 3, 2004

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GLOBAL ASSETS AND SERVICES INC.
(A Development Stage Company)
Balance Sheets
(Unaudited)

| | (Restated) |
|---|-----------------------|
| | September 30, 2003 |
| | ----- |
| ASSETS: | |
| Current assets: | |
| Cash | \$ 1,999 |
| | ----- |
| Total current assets | 1,999 |
| | ----- |
| TOTAL ASSETS | \$ 1,999 |
| | ===== |
| | |
| LIABILITIES AND STOCKHOLDERS' EQUITY: | |
| Current Liabilities: | |
| Accounts Payable and Accrued Liabilities | \$ 16,871 |
| Notes Payable - Shareholder | 16,500 |
| | ----- |
| Total Current Liabilities | 33,371 |
| | ----- |
| | |
| Stockholders' Equity: | |
| Common Stock, \$.001 Par Value, 100,000,000 shares authorized, 31,497,767 shares issued and outstanding in 2003, 24,192,767 shares outstanding in 2002. | 31,497 |
| Additional Paid-In Capital | 3,004,653 |
| Deficit accumulated during the development stage | (3,067,522) |
| | ----- |
| Total Stockholders' Equity (Deficit) | (31,372) |
| | ----- |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 1,999 |
| | ===== |

See Accountants' Review Report

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GLOBAL ASSETS AND SERVICES, INC.
(A Development Stage Company)
Statements of Operations
(Unaudited)

| | Three-Months Ended September 30, | | Nine-Months Ended September 30, | |
|---|-------------------------------------|--------------|------------------------------------|------------|
| | 2003 | 2002 | 2003 | 2002 |
| | ---- | ---- | ---- | ---- |
| Revenue | | | | |
| Revenue | \$ - | \$ - | \$ - | |
| (Less) Cost of Sales | - | - | - | |
| | ----- | ----- | ----- | ----- |
| Total Income | - | - | - | |
| Operating Expenses | | | | |
| Doubtful Accounts | - | - | - | |
| Consultant Fees | - | 221,250 | 268,299 | |
| Legal & Accounting | 500 | 18,391 | 3,000 | |
| Advertising | - | - | - | |
| Directors & Officers Fees | - | - | 435,000 | |
| Interest Expense | - | - | - | |
| Telephone | 829 | 159 | 1,959 | |
| Travel | - | 5,000 | - | |
| Rent | 1,125 | 1,457 | 3,998 | |
| Business Expenses | 869 | 582 | 3,612 | |
| | ----- | ----- | ----- | ----- |
| Total Expenses | 3,323 | 246,839 | 715,868 | |
| | ----- | ----- | ----- | ----- |
| Net Loss From Operations | (3,323) | (246,839) | (715,868) | () |
| | ----- | ----- | ----- | ----- |
| Other Income | | | | |
| Interest Income | - | - | - | |
| | ----- | ----- | ----- | ----- |
| Net Loss | \$ (3,323) | \$ (246,839) | \$ (715,868) | \$ () |
| | ===== | ===== | ===== | ===== |
| Per Share Information: | | | | |
| Weighted average number of common shares outstanding | 31,192,767 | 24,192,767 | 31,192,767 | 24,192,767 |
| | ----- | ----- | ----- | ----- |
| Net Loss per Common Share | * | * | * | |
| | ===== | ===== | ===== | ===== |

* Less than \$.01

Nine-Months Ended
September 30,
2003 2002

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| | ----- | ----- |
|--|--------------|--------|
| Cash Flows from Operating Activities: | | |
| Net Loss | \$ (715,868) | \$ (28 |
| Stocks issued for services | 700,000 | 29 |
| Adjustments to reconcile net loss to cash used in operating activities: | | |
| Increase (decrease) in accounts payable | 2 | (2 |
| | ----- | ----- |
| Net Cash Flows Used by Operating Activities | (15,866) | (1 |
| | ----- | ----- |
| Cash Flows from Financing Activities: | | |
| Proceeds from Notes Payable - Shareholder | 16,500 | |
| Issuance of Stock for Asset Acquisition | - | |
| Issuance of Common Stock | - | 2 |
| | ----- | ----- |
| Net Cash Flows Provided by Financing Activities | 16,500 | 2 |
| | ----- | ----- |
| Net Increase (Decrease) in Cash | 634 | 1 |
| | ----- | ----- |
| Cash and cash equivalents - Beginning of period | 1,365 | |
| | ----- | ----- |
| Cash and cash equivalents - End of period | \$ 1,999 | \$ 1 |
| | ===== | ===== |
| Supplemental Disclosure of Cash Flow Information | | |
| Cash paid for Interest | \$ - | |
| | ===== | ===== |
| Cash paid for Income Taxes | \$ - | |
| | ===== | ===== |
| Non-Cash Transactions | | |
| Common stock issued for services | \$ 700,000 | \$ 29 |
| | ===== | ===== |

See Accountants' Review Report

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GLOBAL ASSETS AND SERVICES, INC.
(A Development Stage Company)
Statement of Cash Flows
(Unaudited)

| | Nine-Months Ended September 30, | |
|---------------------------------------|------------------------------------|--------|
| | 2003 | 2002 |
| | ----- | ----- |
| Cash Flows from Operating Activities: | | |
| Net Loss | \$ (715,868) | \$ (28 |

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| | | |
|---|------------|-------|
| Stocks issued for services | 700,000 | 29 |
| Adjustments to reconcile net loss to cash used in operating activities: | | |
| Increase (decrease) in accounts payable | 2 | (2) |
| Net Cash Flows Used by Operating Activities | (15,866) | (1) |
| Cash Flows from Financing Activities: | | |
| Proceeds from Notes Payable - Shareholder | 16,500 | |
| Issuance of Stock for Asset Acquisition | - | |
| Issuance of Common Stock | - | 2 |
| Net Cash Flows Provided by Financing Activities | 16,500 | 2 |
| Net Increase (Decrease) in Cash | 634 | 1 |
| Cash and cash equivalents - Beginning of period | 1,365 | |
| Cash and cash equivalents - End of period | \$ 1,999 | \$ 1 |
| Supplemental Disclosure of Cash Flow Information | | |
| Cash paid for Interest | \$ - | |
| Cash paid for Income Taxes | \$ - | |
| Non-Cash Transactions | | |
| Common stock issued for services | \$ 700,000 | \$ 29 |

See Accountants' Review Report

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GLOBAL ASSETS AND SERVICES, INC.
(A Development Stage Company)
Statement of Stockholders' Equity (Deficit)
September 30, 2003
(Unaudited)

(Restated Statement)

| | Preferred Stock | | Common Stock | | |
|---------------------------|-----------------|--------|--------------|---------|--------|
| | # of Shares | Amount | # of Shares | Amount | |
| | ----- | ----- | ----- | ----- | |
| Balance December 31, 1995 | - | \$ - | 3,575,268 | \$3,575 | \$ 87, |

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| | | | | | |
|--|-----------|--------------|------------|----------|----------|
| Issuance for Merger | 693,221 | 55,556,100 | 66,533 | 67 | |
| Reverse Merger | (486,754) | (48,675,400) | - | - | |
| Deduction other assets | - | (6,763,122) | - | - | |
| Net Loss for Year | - | - | - | - | |
| Balance - December 31, 1996 | 206,467 | 117,578 | 3,641,801 | 3,642 | 87, |
| Preferred Stock to Common Stock | (206,467) | (117,578) | 755,966 | 755 | 116, |
| Net Loss for year | - | - | - | - | |
| Balance - December 31, 1997 | - | - | 4,397,767 | 4,397 | 204, |
| Balance - December 31, 1998 | - | - | 4,397,767 | 4,397 | 204, |
| Balance - December 31, 1999 | - | - | 4,397,767 | 4,397 | 204, |
| Balance - December 31, 2000 | - | - | 4,397,767 | 4,397 | 204, |
| Stock issued for services 12/11 | - | - | 3,400,000 | 3,400 | |
| Net Loss for year | - | - | - | - | |
| Balance - December 31, 2001 | - | - | 7,797,767 | 7,797 | 204, |
| Stock issued for cash 3/28 | - | - | 20,000 | 20 | 1, |
| Stock issued for services 3/28 | - | - | 6,800,000 | 6,800 | 673, |
| Stock issued for services 4/2 | - | - | 1,000,000 | 1,000 | 99, |
| Stock issued for services 6/18 | - | - | 500,000 | 500 | 49, |
| Stock issued for services 7/12 | - | - | 710,000 | 710 | 70, |
| Stock issued for Asset Acquisition 8/12 | - | - | 1,750,000 | 1,750 | 645, |
| Stock issued for services 8/12 | - | - | 590,000 | 590 | 58, |
| Stock issued for cash 9/18 | - | - | 80,000 | 80 | 19, |
| Stock issued for cash 10/15 | - | - | 4,945,000 | 4,945 | 489, |
| Net Loss for Year | - | - | - | - | |
| Balance - December 31, 2002 | - | - | 24,192,767 | 24,192 | 2,311, |
| Stock issued for services 1/15 | - | - | 2,775,000 | 2,775 | 252, |
| Stock issued for services 3/11 | - | - | 2,630,000 | 2,630 | 252, |
| Stock issued for services 4/20 | - | - | 100,000 | 100 | 9, |
| Stock issued for services 5/28 | - | - | 1,800,000 | 1,800 | 178, |
| Loss for Period | - | - | - | - | |
| Balance - September 30, 2003 | - | \$ - | 31,497,767 | \$31,497 | \$3,004, |

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See Accountants' Review Report

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GLOBAL ASSETS AND SERVICES, INC.
(RESTATED)
(A Development Stage Company)
Notes to Financial Statements
September 30, 2003
(Unaudited)

Note 1 - Presentation of Interim Information:

In the opinion of the management of Global Assets & Services, Inc., the accompanying unaudited financial statements include all normal adjustments considered necessary to present fairly the financial position as of September 30, 2003, and the results of operations for the three-months and nine-months ended September 30, 2003 and 2002, and May 25, 1988 (inception) to September 31, 2003, and cash flows for the nine-months ended September 30, 2003 and 2002 and May 25, 1988 (inception) to September 30, 2003. Interim results are not necessarily indicative of results for a full year.

The financial statements and notes are presented as permitted by Form 10-QSB, and do not contain certain information included in the Company's audited financial statements and notes for the fiscal year ended December 31, 2002.

Note 2 - Going Concern:

The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company is in the development stage and has not earned any revenue from operations. The Company's ability to continue as a going concern is dependent upon its ability to develop additional sources of capital or locate a merger candidate and ultimately, achieve profitable operations. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties. Management is seeking new capital to revitalize the Company.

Note 3 - Restatement of Financials:

These financial statements have been restated to show the additional shares of common stock issued by the Board, however, the amended minutes were not received by the audit firm.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results

of Operations

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The company re-commenced operations in early 2002, and has had no revenues in 2003 but has incurred significant expenses to date in the start up of its operations and expects to continue losses on operations at current rates.

Results of Operations for the quarter ended September 30, 2003 compared to

quarter ended September 30, 2002

The Company had no revenue for the period in 2003 or 2002. The company incurred expenses totalling \$3,323 in the quarter in 2002 compared to \$246,839 in expenses in the quarter in 2002. The expenses in the quarter in 2003 consisted of legal and accounting of \$500, rent of \$1,125, and miscellaneous expenses. The company had a net loss of (\$3,323) in the quarter in 2003 compared to a (\$246,839) loss in the quarter in 2002. The company had a nominal loss per share in the quarter in 2003 and and (\$.01) in 2002.

Comparison of Operating Results for the Nine Months Ended September 30, 2003 and

September 30, 2002

The Company had no revenues for the nine month period ended September 30 in 2003 or 2002. The Company incurred expenses in the period in 2003 of \$715,868 compared to \$284,141 in the period in 2002. The company incurred \$268,299 in consulting, \$435,000 in directors' and officers' fees, \$3,000 legal and accounting, \$3,998 in rent, and \$3,612 in miscellaneous expenses in the period in 2003 compared to \$236,296 in consulting fees, \$28,391 in legal and accounting, \$8,665 in rent, and \$5,630 in miscellaneous expenses in 2002 in the period. The company had a net loss of (\$715,868) in the nine month period in 2003 compared a net loss of (\$284,141) in 2002. The net loss per share was (\$.02) for the period in 2003 and (\$.01) in 2002.

The company expects to continue to incur expenses for the foreseeable future at a similar rate as in the nine month period in 2003. It cannot predict revenues at the date of this report.

Liquidity and Capital Resources

At September 2003, the Company had \$1,999 cash and no other current assets with which to conduct operations. The lack of liquidity or liquid assets raises substantial doubt about the Company's ability to continue as a going concern unless it is able to generate sufficient cash flows to meet its obligations and sustain operations.

Item 3. Controls and Procedures

The management of the company has evaluated the effectiveness of the issuer's disclosure controls and procedures as of a date within 90 days prior to the filing date of the report (evaluation date) and have concluded that the disclosure controls and procedures are adequate and effective based upon their evaluation as of the evaluation date.

There were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of the most recent evaluation of such, including any corrective actions with regard to significant deficiencies and material weaknesses.

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Trends: The company expects that the trend of no income and ongoing losses will continue in the future until a business operation has been achieved which may afford revenues and potential cash flows. No assurance can be made that any such operation will ever occur.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. CHANGES IN SECURITIES

None

ITEM 3. DEFAULT UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibits: 31 Sarbanes-Oxley Certification
32 Sarbanes-Oxley Certification

Reports on Form 8-K: 8/K October 23, 2003

GLOBAL ASSETS & SERVICES, INC.
(A Development Stage Company)

SIGNATURES

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Pursuant to the requirements 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.

GLOBAL ASSETS & SERVICES, INC.

Date: August 9, 2004

By: /s/ Bertram Cutler

Bertram Cutler, President, CEO, & CFO