

Edgar Filing: NETWORK INSTALLATION CORP - Form 10QSB

NETWORK INSTALLATION CORP
Form 10QSB
November 13, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB
Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2003
Commission file number 000-25499

Network Installation Corporation

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

Nevada

88-0390360

State or other jurisdiction of
Incorporation or organization

(IRS Employer
Identification Number)

18 Technology Dr., Suite 140A
Irvine, CA

92618

(Address of principal executive offices)

(Zip Code)

(949) 753-7551

(Issuer's telephone number, including area code)

Check whether the issuer (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 No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

As of November 1, 2003, the Issuer had outstanding 12,616,330 shares of its common stock, \$0.001 par value.

Transitional Small Business Disclosure Format (check one) Yes No

PART I - FINANCIAL INFORMATION

NETWORK INSTALLATION CORP.
(Formerly, Flexxtech Corporation)
CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2003
(Unaudited)

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ASSETS

Current Asset:

| | | |
|--|----|---------|
| Cash and cash equivalents | \$ | 667 |
| Accounts receivable | | 337,763 |
| Notes receivable - related parties | | 80,534 |
| Other current assets | | 2,289 |
| | | ----- |
| | | 421,253 |

Property and Equipment, net. 7,739

Goodwill 1,745,840

TOTAL ASSETS \$ 2,174,832
=====

LIABILITIES & STOCKHOLDERS' DEFICIT

Current Liabilities:

| | | |
|---|----|-----------|
| Accounts payable and accrued expenses | \$ | 1,358,428 |
| Loans payable | | 61,730 |
| Loans payable related parties | | 47,500 |
| Due to factor | | 205,929 |
| Convertible debt - current | | 663,860 |
| | | ----- |

Total Current Liabilities 2,337,447

Long-term Liabilities:

Convertible debt 378,000

STOCKHOLDERS' DEFICIT

| | | |
|---|--|--------------|
| Common stock, authorized 100,000,000 shares at \$.001 par value, issued and outstanding 12,616,330 shares | | 12,616 |
| Additional paid in capital | | 20,066,110 |
| Shares to be issued | | 16,900 |
| Accumulated deficit | | (20,636,241) |
| | | ----- |

Total Stockholders' Deficit (540,615)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT \$ 2,174,832
=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NETWORK INSTALLATION CORP.
(Formerly, Flexxtech Corporation)
CONSOLIDATED STATEMENTS OF
OPERATIONS
(Unaudited)

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| | Three Month Periods Ended September 30, | | Nine Ended |
|---|--|-------------|---------------|
| | 2003 | 2002 | 200 |
| Net revenue. | \$ 444,736 | \$ - | \$ 641 |
| Cost of revenue. | 367,361 | - | 503 |
| Gross profit | 77,375 | - | 138 |
| Operating Expenses | 1,316,761 | 253,164 | 1,634 |
| Loss from operations | (1,239,386) | (253,164) | (1,495) |
| Other income (expense) | | | |
| Litigation settlement. | - | - | |
| Gain on settlement of note receivable. | - | 192,314 | |
| Interest income. | - | - | 1 |
| Loss on conversion of debenture. | (59,740) | - | (59) |
| Loss on settlement of debts. | - | (150,000) | |
| Interest expense | (1,350,981) | (86,525) | (1,376) |
| Total other income (expense). | (1,410,721) | (44,211) | (1,434) |
| Loss from continuing operations before income taxes | (2,650,107) | (297,375) | (2,930) |
| Provision of Income tax. | - | - | |
| Loss from continuing operations. | (2,650,107) | (297,375) | (2,931) |
| Discontinued operations | | | |
| Loss from operations of discontinued subsidiary (Less applicable income taxes of \$800). | - | (95,711) | |
| Gain from disposal of subsidiary | - | 327,012 | |
| | - | 231,301 | |
| Net loss | \$ (2,650,107) | \$ (66,074) | \$ (2,931) |
| Basic and diluted net loss per share:* | | | |
| Basic and diluted loss per share from continuing operations | \$ (0.24) | \$ (1.78) | \$ (|
| Basic and diluted loss per share from discontinued operations. | \$ 0.00 | \$ 1.39 | \$ |
| Basic and diluted loss per share | \$ (0.24) | \$ (0.39) | \$ (|
| Basic and diluted weighted average shares outstanding. | 11,127,512 | 166,638 | 5,481 |