

SPEDEMISSIONS INC
Form 10QSB
August 16, 2004

U.S. 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 June 30, 2004

- TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

Commission file number: 000-49688

Speedemissions, Inc.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

33-0961488
(I.R.S. Employer
Identification No.)

1139 Senoia Road
Suite B
Tyrone, GA
(Address of principal executive offices)

30290
(Zip Code)

Registrant's telephone number, including area code (770) 306-7667

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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

Applicable only to issuers involved in bankruptcy proceedings during the preceding five years

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes No

Applicable only to corporate issuers

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. As of August 6, 2004, there were 22,719,077 shares of common stock, par value \$0.001, issued and outstanding.

Transitional Small Business Disclosure Format

(check one):

Yes No

Speedemissions, Inc.

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PART I

This Quarterly Report includes forward-looking statements within the meaning of the Securities Exchange Act of 1934 (the "Exchange Act"). These statements are based on management's beliefs and assumptions, and on information currently available to management. Forward-looking statements include the information concerning possible or assumed future results of operations of the Company set forth under the heading "Management's Discussion and Analysis of Financial Condition or Plan of Operation." Forward-looking statements also include statements in which words such as "expect," "anticipate," "intend," "plan," "believe," "estimate," "consider" or similar expressions are

used.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. The Company's future results and shareholder values may differ materially from those expressed in these forward-looking statements. Readers are cautioned not to put undue reliance on any forward-looking statements.

ITEM 1 Financial Statements

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Speedemissions, Inc.

(Accounting and Reporting Successor to SKTF Enterprises, Inc. - see Note 1)

Condensed Consolidated Balance Sheet

June 30, 2004

(Unaudited)

Assets

Current assets:

Cash	\$	72,121
Other current assets		68,403
Total current assets		140,524

Property and equipment, at cost less accumulated depreciation and amortization

		1,096,446
Goodwill		1,902,590
Other assets		48,084
	\$	3,187,644

Liabilities and Stockholders' Equity

Current liabilities:

Debt payable to related parties	\$	383,334
Accrued interest on debt payable to related parties		92,310
Current portion of capitalized lease obligation		60,040
Accounts payable and accrued liabilities		483,024
Total current liabilities		1,018,709

Capitalized lease obligation, less current portion

		47,113
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Commitments and contingencies

Stockholders' equity:

Preferred stock, \$.001 par value, 5,000,000 shares authorized, 2,500 shares issued and outstanding		3
Common stock, \$.001 par value, 100,000,000 shares authorized, 22,376,219 shares issued and outstanding		22,376
Additional paid-in capital		8,266,645
Accumulated deficit		(6,167,201)
Total stockholders' equity		2,121,823

\$ 3,187,644

See accompanying notes to condensed consolidated financial statements.

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Speedemissions, Inc.
(Accounting and Reporting Successor to SKTF Enterprises, Inc. - see Note 1)
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2004	2003	2004	2003
Revenue	\$ 748,608	\$ 156,901	\$ 1,367,005	\$ 321,021
Costs and expenses:				
Cost of emissions certificates	230,343	41,401	415,751	86,800
General and administrative expenses	1,519,376	453,114	3,171,933	684,545
Loss from operations	(1,001,111)	(337,614)	(2,220,679)	(450,324)
Interest expense	16,908	36,063	35,839	69,500
Loss before income tax benefit	(1,018,019)	(373,677)	(2,256,518)	(519,824)
Income tax benefit	-	-	-	-
Net loss	\$ (1,018,019)	\$ (373,677)	\$ (2,256,518)	\$ (519,824)
Basic and diluted net loss per share	\$ (0.05)	\$ (0.05)	\$ (0.11)	\$ (0.07)
Weighted average shares outstanding, basic and diluted	20,786,921	7,582,417	19,919,019	7,363,851

See accompanying notes to condensed consolidated financial statements.

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Speedemissions, Inc.
(Accounting and Reporting Successor to SKTF Enterprises, Inc. - see Note 1)
Condensed Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2004 and 2003
(Unaudited)

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	2004	2003
Cash flows from operating activities:		
Net loss	\$ (2,256,518)	\$ (519,824)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	113,690	77,523
Stock issuance expense	1,233,612	-
Stock issued for services	226,762	-
Stock option expenses	31,070	-
Acquisition fee	-	125,000
Changes in assets and liabilities:		
Other current assets	42,686	(2,389)
Other assets	(36,759)	4,358
Accrued interest on debt payable to related parties	28,927	63,875
Accounts payable and accrued liabilities	269,633	(17,940)
Net cash used in operating activities	(346,897)	(269,397)
Cash flows from investing activities:		
Acquisition of businesses	(2,376,015)	-
Net purchases of property and equipment	(147,303)	(25,736)
Net cash used in investing activities		