

ADVANCED HEALTHCARE TECHNOLOGIES INC
Form 10QSB
August 20, 2004

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 10-QSB

(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, 2004

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from to

Commission File No.: 333-51058

ADVANCED HEALTHCARE TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of
incorporation or organization)

84-1565820
(I.R.S. Employer
Identification No.)

2820 LA MIRADA, SUITE H
VISTA, CA 92081
(Address of principal executive offices)

Issuer's telephone number: (760) 599-0775

Check whether the registrant filed all documents and reports required to be
filed by Section 12, 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 such filing
requirements for the past 90 days. Yes X No

APPLICABLE ONLY TO CORPORATE ISSUERS

As of August 15, 2004, 240,000,200 shares of Advanced Healthcare's common stock
were outstanding.

Transitional Small Business Disclosure Format: Yes No X

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PART 1: FINANCIAL INFORMATION

ITEM 1 - CONDENSED FINANCIAL STATEMENTS

ADVANCED HEALTHCARE TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
Balance Sheet

ASSETS

	June 30, 2004

ASSETS	\$ -- =====
LIABILITIES AND STOCKHOLDERS' DEFICIT	
CURRENT LIABILITIES	\$ -- -----
STOCKHOLDERS' DEFICIT	
Common stock: 500,000,000 shares authorized of \$0.001 par value, 240,000,000 shares issued and outstanding	240,000
Additional paid-in capital	6,609,060
Deficit accumulated during the development stage	(6,849,060) -----
Total Stockholders' Deficit	-- -----
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ -- =====

The accompanying notes are an integral part of these financial statements.

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ADVANCED HEALTHCARE TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
Statements of Operations
(Unaudited)

	For the three months ended June 30, 2004	From inception on March 28, 2000 through June 30, 2004
	-----	-----
REVENUES	\$ --	\$ --
OPERATING EXPENSES	-- -----	-- -----
LOSS BEFORE		

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DISCONTINUED OPERATIONS	--	--
	-----	-----
LOSS FROM DISCONTINUED OPERATIONS (NOTE 3)	(116,946)	(6,849,060)
	-----	-----
NET LOSS	\$ (116,946)	\$ (6,849,060)
	-----	=====
BASIC LOSS PER SHARE		\$ (0.00)
	=====	=====
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		240,000,000
	=====	=====

Note: The Company has not presented the 2003 comparable amounts as NutraTek, LLC was incorporated on March 3, 2003 and the operations for the one-month ended March 31, 2003 are immaterial (see Note 2).

The accompanying notes are an integral part of these financial statements.

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ADVANCED HEALTHCARE TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
Statement of Cash Flows
(Unaudited)

	For the three months ended June 30, 2004	From Inception on March 28, 2000 through June 30, 2004
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (116,946)	\$ (6,849,060)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	509	821
Equity issuances for stock	--	6,786,535
Changes in discontinued assets and liabilities:	106,679	(265,440)
	-----	-----
Net Cash Used by Operating Activities	(9,758)	(327,144)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	--	(11,858)
	-----	-----
Net Cash Used by Investing Activities	--	(11,858)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Common stock sold or subscribed for cash	--	268,150

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Repayment of related party loans	--	(70,325)
Advances to affiliated company	--	(55,380)
Repayment of advances to affiliated company	--	50,000
Loans from related party	--	67,225
Cash used for partner draw	(12,006)	(25,422)
Cash contributed by former officer	20,000	--
Proceeds from issuance of note payable	15,500	91,018
Change from cash overdraft	(13,736)	13,736
	-----	-----
Net Cash Provided by Financing Activities	9,758	339,002
	-----	-----
NET INCREASE (DECREASE) IN CASH	--	--
CASH AT BEGINNING OF PERIOD	--	--
	-----	-----
CASH AT END OF PERIOD	\$ --	\$ --
	=====	=====

The accompanying notes are an integral part of these financial statements.

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ADVANCED HEALTHCARE TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
Consolidated Statement of Cash Flows (Continued)
(Unaudited)

	For the three months ended JUNE 30, 2004	From Inception on March 28, 2000 through June 30, 2004
	-----	-----
CASH PAID FOR		
Interest	\$ --	\$ 659
Income taxes	\$ --	\$ --
SCHEDULE OF NON CASH FINANCING ACTIVITIES		
Contributed capital by shareholders	\$247,546	\$247,546

Note: The Company has not presented the 2003 comparable amounts as NutraTek, LLC was incorporated on March 3, 2003 and the operations for the one month ended March 31, 2003 are immaterial (see Note 2).

The accompanying notes are an integral part of these financial statements.

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ADVANCED HEALTHCARE TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
Notes to the Financial Statements

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June 30, 2004 and March 31, 2004

NOTE 1 - FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at June 30, 2004 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's March 31, 2004 audited consolidated financial statements. The results of operations for the period ended June 30, 2004 are not necessarily indicative of the operating results for the full year.

NOTE 2 - CHANGE OF CONTROL

On June 30, 2004, the Company's president and CEO entered into an agreement to sell his controlling interest in the Company and retain the operations and activities of NutraTek, LLC. In connection with this change in control the Company's president and CEO, vice president and chief scientific officer, as well as the Company's secretary, resigned. Additionally, five individuals resigned as directors of the Company. The individual gaining controlling interest was appointed to fill these vacancies.

Concurrent with the above-mentioned events, the Company settled \$247,546 of accounts payable debt by reallocating a total of 25,000,200 shares of common stock, which had previously been issued to a number of different related entities, in exchange for their forgiveness of the debt as well as payment of \$10,000.

At March 31, 2004, the financial statements had been presented in a reverse merger format with NutraTek, LLC being reported as the accounting entity and Advanced as the legal entity. Accordingly the inception date had been presented as March 2003, which was the inception date of NutraTek. With NutraTek being returned to its former owner at June 30, 2004, Advanced is the only remaining entity. The inception date of Advanced was on March 28, 2000. Advanced is now the remaining accounting and legal entity.

NOTE 3 - DISCONTINUED OPERATIONS

On June 30, 2004, the Company's CEO entered into an agreement to sell 126,000,000 of the Company's common stock and his controlling interest to an unrelated individual. This resulted in the Company's wholly-owned subsidiary, NutraTek, LLC, being spun off and left Advanced Healthcare Technologies Inc. as the remaining shell company.

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NOTE 3 - DISCONTINUED OPERATIONS (Continued)

All assets were associated with the discontinued operations as well as all of the liabilities, except for \$247,546 which was associated with Advanced. See Note 2 for a discussion on the settlement of this debt associated with Advanced.

The operations of Nutratek are for the three months ended March 31, 2004 because NutraTek had a December 31 year-end.

	For the three months ended March 31, 2004 -----
REVENUES	\$ 15,349
Cost of goods sold	4,108 -----
Gross profit	11,241 -----
OPERATING EXPENSES	
Payroll	53,930
Rent	2,271
Professional fees	49,104
Depreciation	509
General and administrative	21,362 -----
Total Operating Expenses	127,175 -----
LOSS FROM OPERATIONS	(115,935) -----
OTHER EXPENSE	
Interest Expense	(1,011) -----
Total Other Expense	(1,011) -----
NET LOSS	\$ (116,946) -----
BASIC LOSS PER SHARE	\$ (0.00) =====
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	240,000,000 =====

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(A DEVELOPMENT STAGE COMPANY)
Notes to the Financial Statements
June 30, 2004 and March 31, 2004

NOTE4 - GOING CONCERN

The Company's financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company has had a change in control and has changed its business plan and it has not generated any revenues. The future of the Company is dependent upon its ability to obtain financing and upon future profitable operations from the development of its new business opportunities. Management plans to research possible acquisitions of various entities and an officer of the Company has agreed to loan the Company funds as needed to sustain business for a period of twelve months. However, the Company is dependent upon its ability to secure equity and/or debt financing, and there are no assurances that the Company will be successful, without sufficient financing it would be unlikely for the Company to continue as a going concern.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might arise from this uncertainty.

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ITEM 2 - PLAN OF OPERATION

The following discussion and analysis should be read in conjunction with our unaudited consolidated condensed financial statements and related notes included in this report. This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The statements contained in this report that are not historic in nature, particularly those that utilize terminology such as "may," "will," "should," "expects," "anticipates," "estimates," "believes," or "plans" or comparable terminology are forward-looking statements based on current expectations and assumptions.

Various risks and uncertainties could cause actual results to differ materially from those expressed in forward-looking statements. All forward-looking statements in this document are based on information currently available to us as of the date of this report, and we assume no obligation to update any forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

The following discussion and analysis should be read in conjunction with our unaudited condensed financial statements and related notes included in this report. This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The statements contained in this report that are not historic in nature, particularly those that utilize terminology such as "may," "will," "should," "expects," "anticipates," "estimates," "believes," or "plans" or comparable terminology are forward-looking statements based on current expectations and assumptions.

Various risks and uncertainties could cause actual results to differ

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materially from those expressed in forward-looking statements. All forward-looking statements in this document are based on information currently available to us as of the date of this report, and we assume no obligation to update any forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

GENERAL

On June 30, 2004, Richard Mangiarelli purchased 126,000,000 shares of Advanced Healthcare common stock from its former President, Chief Executive Officer, Director, and majority stockholder, Johnny Sanchez. As a result, Mr. Mangiarelli now holds approximately 52.5% of the issued and outstanding common stock of Advanced Healthcare.

In connection with this change in control, Mr. Sanchez resigned as Advanced Healthcare's President and Chief Executive Officer, Joel Rockwood resigned as its Vice President and Chief Scientific Officer, and Michael MacArthur resigned as its Secretary. The board of directors appointed Mr. Mangiarelli as the new President, Chief Financial Officer, and Secretary. In addition, Mr. Sanchez, Mr. Rockwood, Virginia Sanchez, Carmen Sanchez, and Joe V. Overcash resigned as directors of Advanced Healthcare. The outgoing directors appointed Richard Mangiarelli to fill the vacancies on the board.

On June 30, 2004, Advanced Healthcare entered into a Release and Indemnity Agreement with Johnny Sanchez, its former President, Chief Executive Officer, Director, and majority stockholder, pursuant to which Advanced Healthcare sold the all of its membership interest in NutraTek to Mr. Sanchez in exchange for Mr. Sanchez's agreement to do the following: (a) release Advanced Healthcare from any and all claims that Mr. Sanchez may have had against Advanced Healthcare; (b) indemnify Advanced Healthcare for any and all claims against or liabilities of Advanced Healthcare that existed before June 30, 2004, and (c) to cooperate with and assist Advanced Healthcare in connection with its reporting obligations or filing requirements under the Securities Act of 1933, as amended, and Securities Exchange Act of 1934, as amended, and to deliver such other instruments and take such other actions as may be reasonably requested by Advanced Healthcare in order to carry out the intent of the agreement.

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As a result of the spin-off of Nutratok, Advanced Healthcare currently has no operations. Advanced Healthcare intends to either commence operations or acquire another business with operations in which Mr. Mangiarelli may have an equity interest. It is possible that, as a result of any acquisition of a business in which Mr. Mangiarelli has an equity interest, Advanced Healthcare may issue additional shares of capital stock to Mr. Mangiarelli.

Advanced Healthcare moved its principal executive offices to the following address:

Advanced Healthcare Technologies, Inc.
2820 La Mirada, Suite H
Vista, CA 92081
(760) 599-0775

Before the change of control described above, Advanced Healthcare's principal business and operations were those of NutraTek. NutraTek researched, developed, and thereafter contracted with third parties to manufacture its own line of nutritional dietary supplements, functional food products and natural

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sweeteners. As a result of the spin-off of Nutratrak, Advanced Healthcare's new management has decided to terminate the nutritional products business and focus on other opportunities. Management is currently evaluating various business opportunities, including operating opportunities, joint ventures, acquisitions or other business combinations. Some of the opportunities being evaluated are ones in which management has a current interest, and it is possible that, if Advanced Healthcare pursues one of these opportunities, management may receive additional capital stock of Advanced Healthcare in connection therewith.

Advanced Healthcare currently has limited working capital with which to satisfy its cash requirements, and it will require additional capital in order to conduct operations. Advanced Healthcare anticipates that we will at least \$250,000 in additional working capital in order to sustain operations for the next 12 months. This requirement may increase substantially, depending on the nature and capital requirements of the business opportunities it elects to pursue. In order to obtain the necessary working capital, Advanced Healthcare intends to seek private equity financing in 2004. Such financing may not be available to Advanced Healthcare, when and if needed, on acceptable terms or at all. In the event that Advanced Healthcare is unable to obtain such financing, management may provide additional financing for Advanced Healthcare.

In the next twelve months, Advanced Healthcare intends to hire from six to up to fifty employees, depending on the nature of the business opportunities it elects to pursue. Advanced Healthcare may establish a new equity compensation plan in order to attract and retain employees and to provide employees who make significant and extraordinary contributions to Advanced Healthcare's long-term growth and performance with equity-based compensation incentives. Advanced Healthcare may lease these employees from an employment leasing agency rather than hire the employees directly, and the employment leasing agency may be affiliated with our new management.

Advanced Healthcare intends to retain any future earnings to finance the expansion of its business and any necessary capital expenditures, and for general corporate purposes.

OFF BALANCE SHEET ARRANGEMENTS

Advanced Healthcare does not have any off-balance sheet financing arrangements.

ITEM 3 - CONTROLS AND PROCEDURES

Our disclosure controls and procedures are designed to ensure that information required to be disclosed in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Our Chief Executive Officer and Chief Financial Officer has reviewed the effectiveness of our "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 Rules 13a-14(c) and 15d-14(c)) within the last ninety days and has concluded that the disclosure controls and procedures are effective to ensure that material information relating to Advanced Healthcare Technologies, Inc. is recorded, processed, summarized, and reported in a timely manner. There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the last day they were evaluated by our Chief Executive Officer and Chief Financial Officer.

It should be noted that any system of controls, however well designed and

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operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. As a small organization, the effectiveness of our controls heavily depends on the direct involvement of our Chief Executive Officer and Chief Financial Officer.

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PART II: OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

None.

ITEM 2 - CHANGES IN SECURITIES

(a) None.

(b) None.

(c) In June 2004, Advanced Healthcare issued 200 shares of common stock in connection with the settlement of outstanding liabilities. The issuance was exempt under Section 4(2) of the Securities Act.

(d) None.

(e) 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

(a) EXHIBITS.

Item NO.	DESCRIPTION	METHOD OF FILING
-----	-----	-----
31.1	Certification of Richard Mangiarelli pursuant to Rule 13a-14(a)	Filed electronically
32.1	Chief Executive Officer and Chief Financial Officer Certification pursuant to 18 U.S.C.ss.1350 adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002	Filed electronically

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(b) REPORTS ON FORM 8-K

On June 11, 2004, Advanced Healthcare filed Amendment No. 1 to a current report on Form 8-K filing the financial statements of Nutratek, LLC.

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SIGNATURES

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.

Advanced Healthcare Technologies, Inc.

August 20, 2004

/S/ RICHARD MANGIARELLI

Richard Mangiarelli
President and Chief Executive Officer
(Principal Executive Officer,
Principal Financial Officer,
and Principal Accounting Officer)

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