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ADVANCE TECHNOLOGIES INC
Form 10QSB
August 14, 2001

FORM 10-QSB

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(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, 2001

Or

Transition report pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the transition period _____ to _____

Commission file number 0-27175

ADVANCE TECHNOLOGIES, INC.
(Exact name or registrant as specified in its charter)

Nevada
(State or other jurisdiction
Incorporation or organization)

95-475536
(I.R.S. Employer
Identification No.)

716 Yarmouth Rd Suite 215
Palos Verdes Estates, CA 90274
(Address of principal executive offices)

Registrant's telephone number, including area code: (310) 265-7776

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 that the registrant was Required to file such reports), and (2) has shorter period been subject to Such filing requirements for the past 90 days.

Yes No

APPLICABLE ONLY TO ISSUES INVOLVED IN BANKRUPTCY.

Indicate by check whether the registrant has filed all documents And report required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities Under a plan confirmed by a court.

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

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As of June 30, 2001, approximately 2,572,923 shares of the Registrant's Common Stock, \$0.001 par value were outstanding.

As of June 30, 2001, approximately 50,204,102 shares of the Registrant's Class A Preferred Non-voting Stock par value \$0.001 were outstanding.

ADVANCE TECHNOLOGIES, INC.

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ADVANCE TECHNOLOGIES, INC.

(A Development Stage Company)

Consolidated Financial Statements

June 30, 2001

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Chisholm & Associates, CPA
 PO Box 540216
 North Salt Lake, UT 84054
 Tel: (801) 292-8756

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ADVANCE TECHNOLOGIES, INC.
 (a Development Stage Company)
 Consolidated Balance Sheets

ASSETS

	June 30, 2001	December 31, 2000
	-----	-----
	(Unaudited)	
Current Assets		
Cash and Cash Equivalents	\$ 54	\$ 1,646
Prepaid License	12,500	12,500
	-----	-----
Total Current Assets	12,554	14,146
	-----	-----
Property & Equipment, Net	26,835	23,835
	-----	-----
Total Assets	\$ 39,389	\$ 37,981
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Accounts Payable	\$ -	\$ 27,291
Accrued Expenses	-	9,816
Note Payable - Officer	39,500	49,500
Advance Royalties	25,000	25,000
	-----	-----
Total Current Liabilities	64,500	111,607
	-----	-----
Long Term Liabilities		
Line of Credit	90,765	79,500
Notes Payable - Joint Venture	98,000	-
	-----	-----
Total Long Term Liabilities	188,765	79,500
	-----	-----
Total Liabilities	253,265	191,107
	-----	-----

Stockholders' Equity
 Common Stock, Authorized 100,000,000

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Shares of \$.001 Par Value, Issued and Outstanding 2,572,923 shares	2,573	2,573
Preferred Stock, Series A Authorized 100,000,000 Shares of \$.001 Par Value, Issued and Outstanding 50,204,102 Shares	50,204	50,204
Additional Paid in Capital	446,946	446,496
Deficit Accumulated During the Development Stage	(713,149)	(652,399)
Total Stockholders' Equity	(213,426)	(153,126)
Total Liabilities and Stockholders' Equity	\$ 39,839	\$ 37,981

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ADVANCE TECHNOLOGIES, INC.
(a Development Stage Company)
Consolidated Statements of Operations
(Unaudited)

	For the three months ended June 30, 2001	For the three months ended June 30, 2000	For the nine months ended June 30, 2001
Revenues	\$ -	\$ -	\$ 3,000
Operating Expenses			
General & Administrative	4,420	21,648	63,750
Total Expenses	4,420	21,648	63,750
Net Income (Loss)	\$ (4,420)	\$ (21,648)	\$ (60,750)
Net Income (Loss) Per Share	\$ (0.00)	\$ (0.01)	\$ (0.02)
Weighted Average Shares Outstanding	2,572,923	2,572,923	2,572,923

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ADVANCE TECHNOLOGIES, INC.
(a Development Stage Company)
Consolidated Statements of Cash Flows
(Unaudited)

	For the six months ended June 30,	
	2001	2000
Cash Flows from Operating Activities		
Net Income (Loss)	\$ (60,750)	\$ (21,894)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operations:		
Depreciation & Amortization	7,000	-
Change in Assets and Liabilities		
Decrease in Accounts Payable and Accrued Expenses	(37,107)	(1,218)
	-----	-----
Net Cash Provided(Used) by Operating Activities	(90,857)	(23,112)
	-----	-----
Cash Flows from Investing Activities		
Purchase of Patent Rights	-	(11,250)
Purchase of Equipment	(10,000)	-
	-----	-----
Net Cash Provided (Used) by Investing Activities	(10,000)	(11,250)
	-----	-----
Cash Flows from Financing Activities		
Proceeds from Line of Credit	11,265	-
Proceeds from Joint Venture	98,000	-
Payments to Officer for Notes Payable	(10,000)	-
Proceeds from Shareholders	-	56,500
	-----	-----
Net Cash Provided(Used) by Financing Activities	99,265	56,500
	-----	-----
Increase (Decrease) in Cash	(1,592)	22,138
	-----	-----
Cash and Cash Equivalents at Beginning of Period	1,646	555
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 54	\$ 22,693
	=====	=====
Cash Paid For:		
Interest	\$ -	\$ -
	=====	=====
Income Taxes	\$ -	\$ -

ADVANCE TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to the Consolidated Financial Statements
June 30, 2001

GENERAL

Advance Technologies, Inc. (the Company) has elected to omit substantially all footnotes to the financial statements for the nine months ended June 30, 2001 since there have been no material changes (other than indicated in other footnotes) to the information previously reported by the Company in their Annual Report filed on Form 10-KSB for the fiscal year ended September 30, 2000.

UNAUDITED INFORMATION

The information furnished herein was taken from the books and records of the Company without audit. However, such information reflects all adjustments which are, in the opinion of management, necessary to properly reflect the results of the interim period presented. The information presented is not necessarily indicative of the results from operations expected for the full fiscal year.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATIONS

MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATIONS

Plan of Operation

Our plan of operation has been strongly affected by delays in the Certification of the Enhanced Vision System by the Federal Aviation Administration. The final flight tests are scheduled to be complete by August 2001. The granting of the Supplemental Type Certification will allow our EVS to start production with initial sales in 2001.

By January 2002, we shall have sufficient visibility on sales in 2002 and beyond to make reasonable projections of our anticipated royalties from these sales. Positive cash flow should be achieved by 3rd quarter of 2002.

The certification delays have put us three years behind our original schedule. These delays have forced us to use a line of credit to meet operational expenditures as well as delaying other new product ventures.

Our current line of credit is adequate for our projected operating costs. We continue to explore other avenues of Capital infusion, but the requirement for these funds is tied to discretionary expenditures on new product and new markets.

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The new products and markets we have been exploring are all in Infrared Camera applications for specific applications. These applications are: Recreational Vehicle Systems, Security Systems, and Medical System Applications.

We have engaged in a strategic partnership arrangement with Telesis Technologies Inc., a Taiwanese private corporation. Our talents appear to be complementary, and we are exploring many opportunities to expand our joint participation. Currently, our partnership is limited to the Recreational Vehicle System venture.

PART II. - OTHER INFORMATION

ITEM 6. EXHIBITS

None

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SIGNATURES

Pursuant to the requirement 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.

Date: August 9, 2001

ADVANCE TECHNOLOGIES, INC.
(Registrant)

By: /s/ GARY E. BALL

Gary E. Ball
President and Director

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