

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

ADVANCE TECHNOLOGIES INC
Form 10KSB/A
June 18, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10 KSB/A2

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

For the Fiscal Year Ended September 30, 2000

Commission File No. 0-27175

ADVANCE TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other
Jurisdiction of Incorporation
or organization)

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

716 Yarmouth Road # 215
Palos Verdes Estates, CA 90275
(Address of principal executive offices)

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

Securities Registered Pursuant to Section 12(b) of the Act:
Title of each class
Common
Name of Each exchange on which registered
National Association of Securities Dealers
Securities registered pursuant to Section 12(g) of the Act:

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 such filing
requirements for the past 90 days.

Yes X No

Advance Technologies, Inc. Form 10KSB/A2

Indicate by check mark if disclosure of delinquent
filers pursuant to item 405 of Regulation S-K is not
contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or
information statements incorporated by reference in
part III of this Form 10-KSB or any amendment to this
Form 10-KSB. [X]

The aggregate market value of voting stock held by
non-affiliates of the Registrant as of September 30,
2000 was approximately \$3,859,384.50

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

On September 30, 2000, approximately 2,572,923 Shares of the Registrant's Common Stock, \$0.001 par value, were outstanding.

Documents Incorporated by Reference

(1) Financial Statements for September 30, 2000

(2) Except for the historical information presented, the matters discussed in this Form 10 KSB include forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, but are not limited to, those discussed under the caption "Factors That May Affect Future Results" under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's 2000 Financial Statements, which is incorporated by reference in this Form 10-KSB.

Advance Technologies, Inc. Form 10KSB/A2 2

ADVANCE TECHNOLOGIES, INC. TABLE OF CONTENTS

	Page
PART I	
Item 1. BUSINESS	4
Item 2. PROPERTIES	6
Item 3. LEGAL PROCEEDINGS	6
Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS	6
PART II	
Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS	7
Item 6. SELECTED FINANCIAL DATA	8
Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	10
Item 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.	10
PART III	
Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT	11
Item 11. EXECUTIVE COMPENSATION	12
Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS	

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

AND MANAGEMENT 13

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS 13

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORT 13

SIGNATURES FIN 16

Advance Technologies, Inc. Form 10KSB/A2 3
PART I

Item 1. Business

Introduction

Advance Technologies, Inc. ("the Company") The Company was organized under the laws of the State of Delaware under the name PWB Industries, Inc., the articles of incorporation were issued June 16, 1969. The name was changed to Sun Energy, Inc. ("The Company"), which merged with Sto Med, Inc. on February 22, 1996 changing its name to Sto Med, Inc. ("The Company") and domicile to the State of Nevada. On February 23, 1996, Sto Med, Inc., a privately held California corporation, was acquired by Sto Med, Inc. ("The Company") the California Corporation acquisition was rescinded on August 23rd 1997. Sto Med Inc. ("The Company") the Nevada corporation changed its name to Advance Technologies, Inc., ("The Company") on August 23rd 1997. On September 27, 1999 the "Company" acquired Seacrest Industries of Nevada, also known as Infrared Systems International.

The Company

The Registrant through its wholly owned subsidiary SEACREST INDUSTRIES, INC., and through its president and director Mr. Gary Ball was granted an exclusive world-wide license agreement for the use of US patent number 5,534,694 by Hughes Aircraft Company, for a key optical element of the Infrared Aircraft Landing System. Gary Ball founder and CEO of Infrared Systems International (ISI) a/k/a Seacrest Industries International, Inc. in 1992 formed the company for the singular purpose of providing manufacturing and sales support for the unique Infrared System called Enhanced Vision System (EVS). While employed by Electro-Optical Systems, a segment of Hughes Aircraft Company, as senior Program Manager and engineer, he led the research and development team responsible for the development of the Enhanced Vision System (EVS). This technology was designed to allow aircraft pilots to actually "see" the airport environment through cloud ceiling or surface fog. The factor of enhanced safety, alone, is generating an enormous demand for this type of system, which, in the future, could become part of the Minimum Equipment List (MEL) required

Advance Technologies, Inc. Form 10KSB/A2 4
for commercial aircraft carrying more than a designated number of passengers (FAA Part-91, -121, & -135 markets). Millions of dollars have been expended in the development of this technology by many major Corporations.

In June of 1992, Gary E Ball was employed as the Program

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

Manager of EVS at Hughes Aircraft Company where he developed the technology, including the principal patent, licensed to the Company. In October of 1995, in connection with certain strategic business decisions being made by Hughes Aircraft, Hughes Aircraft offered Mr. Gary E. Ball a license of the EVS technology. The license included the patent submitted by Mr. Gary E. Ball and others, together with proprietary data related to the technology, proprietary business agreements, and unrestricted use of the licensed information and EVS knowledge acquired while Mr. Gary Ball was at Hughes Aircraft.

The license agreement with Hughes required prepayment of (\$25,000) and a royalty on each licensed product sold. The license is exclusive and limited to the use of the technology relating to commercial aircraft licensed to operate by the United States Federal Aviation Administration or equivalent regulatory agency elsewhere. This agreement requires the consent of Hughes Aircraft to sublicense the technology, which consent will not be unreasonably withheld.

In July of 1997, ISI entered into a license agreement with Kollsman, Inc. which contemplates the payment of a royalty to ISI based upon the number of licensed products sold by Kollsman and requires the personal consulting services of Mr. Gary E. Ball for which the Company will receive compensation. This agreement entitles ISI to an advanced royalty of \$5,000 per month plus time and expenses for consulting service as well as an initial \$20,000 advance payment. The royalty based upon sales increases, as the number of systems sold increases.

Kollsman, Inc. is a commercial avionics and electronics company that designs, develops and manufactures flight instruments. It is a leading developer of Forward Looking

Advance Technologies, Inc. Form 10KSB/A2 5
Infrared Systems. These systems have primarily been utilized in military applications. The system designed by Kollsman that utilizes the Company's technology is based upon an infrared sensor unit placed in the nose of the aircraft. Output from the sensor unit is transmitted through a video interface onto a heads-up-display located on the aircraft's flight deck. The image displays the approach on a high quality black and white television image projected onto a combining glass in front of the Captain. The result is that night vision is enhanced and a pilot has the ability to see through fog, smoke, haze, rain and snow. In addition to improved situational awareness of the airport, traffic and surrounding terrain, the takeoff and landing "Minima" results in fewer diversions, cancellations and delays.

In October of 1997, Gulfstream, the leading manufacturer of large business aircraft, and Kollsman announced the signing of a memorandum of understanding to utilize the Company's technology on Gulfstream IV-SP and Gulfstream V aircraft. Gulfstream announced it is preparing for pre-prototype flight tests whose goal is to utilize the technology where the visual ceiling is no more than 50 feet and the runway visual range is no more than 700 feet.

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

While the Company's primary efforts are directed toward supporting the Kollsman license, the Company is pursuing other areas of development for the Enhanced Vision System (EVS) Technology. Not only can the technology be used in a variety of cameras to reveal images through clouds or smoke but also to reveal critical characteristics that would otherwise not be seen in paintings and livestock. There are a multitude of medical applications, applications for preventive maintenance, uses in underwater imaging systems and emergency vehicle warning systems, ground transportation (commercial and recreational), fire fighting, vehicle, airborne and man-portable, and all types of maritime transportation.

Item 2. Properties

The Company's executive offices are located in Palos Verdes Estates, California.

Advance Technologies, Inc. Form 10KSB/A2

6

Item 3. Legal Proceedings

There are no legal proceedings known or pending against the Registrant or its subsidiary

Item 4. Submission of Matters to a Vote of Security Holders

There were no shareholders meetings held in the period ending September 30, 2000.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

The Company is currently trading, OTC, on the Nationals Association of Securities Dealers "Pink Sheets" with the high bid at \$1.75 per share and the low bid of \$1.375 per share during the last quarter. Additional information required by this item may be found in the Company's 2000 Financial Statements..

On October 4, 1999 there was an escrow established by the Company at Pacific Stock Transfer Company for 50,204,102 Shares of preferred stock for the exchange of Seacrest Industries, Inc. common stock in conjunction with its acquisition. As of September 30, 2000 43,123,202 shares of Seacrest had been exchanged.

Our Company's authorized capital stock as of December 31, 2000 consists of 52,770,025 shares divided into 2,572,923 shares of Common Stock, par value \$0.001 per share, and 50,204,102 shares of Preferred Stock, par value, \$0.001 per share.

Common Stock has equal voting rights and, when validly issued and outstanding are entitled to one vote per share in all matters to be voted upon by shareholders. The shares of Common Stock have no preemptive, subscription, conversion or redemption rights and may be issued only as fully-paid and non-assessable shares. Cumulative voting in

Advance Technologies, Inc. Form 10KSB/A2 7
the election of directors is not permitted, which means that the holders of a majority of the issued and outstanding shares of Common Stock represented at any meeting at which a quorum is present will be able to elect the entire Board of Directors if they so choose and, in such event, the holders of the remaining shares of Common Stock will not be able to elect any directors. In the event of liquidation of the Company, each shareholder is entitled to receive a proportionate share of the Company's assets available for distribution to shareholders after the payment of liabilities and after distribution in full of preferential amounts, if any. All shares of the Company's Common Stock issued and outstanding are fully-paid and nonassessable. Holders of the Common Stock are entitled to share pro rata in dividends and distributions with respect to the Common Stock, as may be declared by the Board of Directors out of funds legally available therefore. The Preferred Stock has no voting rights and is convertible to common upon direction of the Board of Directors. A majority of the Preferred Shareholders govern the convertible ratio to common.

Item 6. Selected Financial Data

The following summary financial data should be read together with this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Financial Statements included herein.

Statement of Operations
For the year ended
September 30, 2000

Revenues:		\$ -0-
Expenses:		
Depreciation & Amortization	14,665	
Interest	2,816	
Organization Costs		
Research & Development	11,250	
General and administrative	73,068	
Total Expenses	101,799	
Net (Loss)		\$ (101,799)
Net Loss Per Share	\$ (0.03) \$ (0.07) \$ (1.85)	

Advance Technologies, Inc. Form 10KSB/A2 8
Balance Sheet of September 30, 2000

Current assets	
Cash	\$ 1,646
Prepaid License	12,500
Total Current Assets	14,146
Property & Equipment	23,835
(net of accumulated depreciation)	
Total Assets	\$ 37,981

Liabilities and Stockholders' Equity

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

Current Liabilities	
Accounts Payable	\$ 27,291
Accrued wages	7,000
Accrued interest	2,816
Note Payable-Officer	49,500
Advance Royalties	25,000
Total Current Liabilities	111,607
Long Term Debt	
Line of Credit	79,500
Total Liabilities	191,107

Stockholders' Equity	
Common Stock, authorized 100,000,000 shares of \$.001 par value, issued and outstanding 2,572,923 shares	
	2,573
Preferred Stock, Series A authorized 100,000,000 shares of \$.001 par value, issued and outstanding 50,204,102 shares	
	50,204
Additional Paid in Capital	446,496
Deficit Accumulated During the Development Stage	
	(652,399)
Stockholders' Equity	(153,126)

Advance Technologies, Inc. Form 10KSB/A2 9
Item 7. Management's Discussion and Analysis of Financial
Condition and Reports of Operation

The Company has not had any revenues for the last two fiscal years, namely, for the periods ending September 30, 1999 and September 30, 2000. During fiscal 2000, research and development on the vision system continued and tests were performed with respect to the enhancement and development of the Company's night vision system for aircraft. In addition, the Company continued its R&D into night vision systems for other land and sea motorized vehicles. The Company's cash needs continue and when cash is required, an Officer of the Company provides same. The Company will attempt to raise additional funds in the near future (fiscal, 2001)

In October 2000, the Company did receive \$49,000 from a Taiwanese corporation to jointly develop a night vision system to be utilized in Class A coaches (cf Note No. 10 to the Notes to Financial Statements)

The Company does not anticipate purchasing or selling any significant equipment during the next twelve months and the Company does not expect any significant changes in the number of employees.

Item 8. Changes in and Disagreements with Accountants on Accounting Financial Disclosure.

The Registrant had employed the accounting firm of Crouch, Bierwolf & Chisholm, 50 West B'way, Suite 1130, Salt Lake City, UT 84101 for its Filings Form 10-SB (August 30, 1999) and Form 10-K (period ending September 30, 1999), The Certified Public Accountant at the Crouch firm who

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

handled Registrant's account was Mr. Todd G. Chisholm.

Prior to the filing of Form 10-K for the period ending September 30, 2000, Mr. Chisholm left the Crouch, Bierwolf & Chisholm firm and started his own practice as a Certified Public Accountant. The name of Mr. Chisholm's public accounting firm is now referred to as Chisholm & Associates, PO Box 540216, North Salt Lake, UT 84054.

Advance Technologies, Inc. Form 10KSB/A2 10
Accordingly, Mr. Todd G. Chisholm while resigning from the Crouch, Bierwolf & Chisholm firm, continues to act as Registrant's Independent Accountant through the firm of Chisholm & Associates. Mr. Chisholm did not resign, decline to stand for reelection nor did Registrant dismiss Mr. Chisholm.

The decision to retain Mr. Chisholm as its Certified Public Accountant with the firm of Chisholm and Associates was approved by Registrant's Board of Directors.

During the Registrants two most recent fiscal years (for the periods ending September 30, 1999 and September 30, 2000) there were no disagreements with Mr. Chisholm on any matters of accounting principals, financial statement disclosures or auditing scope or procedure.

PART III

Item 10. Directors and Executive Officers of the Registrant

GARY E. BALL Age 63, residing in Beverly Hills, California is married. He attended California State University at Long Beach graduating in 1967 BSEE and MSEE, went on to perform Graduate Studies at University of Southern California. He has specialized in product design, development, and management for North American Aviation, Autonetics Division. Technical Manager in charge of the Pave Track program for Ford Aerospace. Program Manager for Northrop Electro-Mechanical in charge of business development on several classified DOD programs, including the AMRAAM effort. Program Manager for Hughes Aircraft where he developed the Infrared Enhanced Vision System, reporting to the President of EDSG as directed by General Motors and directed all non-core business. He is a member of NATO NIAG study group on Aircraft Integration. He has authored several articles for trade publications, the last 4 years he has provided consulting services to 10 U.S. and foreign corporations in the field of IR technology.

Advance Technologies, Inc. Form 10KSB/A2 11
GARY L. BANE Age 63, residing in Santa Barbara, California is married. He attended University of Southern California attaining BS Mechanical and Aeronautical (1960) MS Control Systems and Instrumentation (1966) MS Systems Management (1968). University of California, Los Angeles studying Deep Submergence Vehicle, Oceanography and Offshore Systems Engineering. Stanford University Executive Institute of Management of High Technology Companies. Mr. Bane is a specialist in the development and management of Deep Ocean

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

and offshore technology projects. He recently retired from Rockwell after 30 years as director of Ocean Systems. While at Rockwell he successfully managed significant technical solutions and advanced state-of-the-art programs for a number of classified programs. He was General Manager of Interstate Electronics; Oceanic Division where he was responsible for profit and loss and R and D for offshore oil drilling and recovery projects.

WENDY BALL Age 54, residing in Beverly Hills, California is married. She graduated from University of Southern California, BS cum Laude. Her career has been focused on retail merchandising, where she has demonstrated exceptional skills in management, team building and communications. She was a key employee at Neiman Marcus Beverly Hills where she increased sales 400% in the Christian Lacroix Boutique and was a key buyer in New York. She was an account executive for Carolee Jewelry for Southern California, Arizona and Utah increasing sales 84%. She was co-owner Brava Specialty Clothing Store in Redondo Beach, California.

Item 11. Executive Compensation

Other than information provided in the Company's 1999 Financial Statements incorporated herein, executive officers and directors have received no other compensation.

Advance Technologies, Inc. Form 10KSB/A2

12

Item 12. Security Ownership of Certain Beneficial Owners and Management

Title Of Class	(1)Name & Address of Beneficial Owner	(2)Amount & Nature of Beneficial Ownership	Percent of Class
Preferred	Gary E. Ball 28 Santa Cruz Court Manhattan Beach, CA 90266	9,240,000 Issued Shares	18.4
Preferred	Gary L. Bane 2015 Edgewater Santa Barbara, CA 93109	364,000 Issue Shares	1.0
Preferred	Wendy Ball 28 Santa Cruz Court Manhattan Beach, CA 90266	9,240,000 Issued Shares	18.4

Item 13. Certain Relationships and Related Transactions

Gary E. Ball and Wendy Ball are married.

The consideration exchanged under the Plan was negotiated between the directors and executive officers of the Registrant, the Board of Directors of SEACREST INDUSTRIES,

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

INC. (the board of directors of the Registrant, are the same board of directors as that of SEACREST INDUSTRIES, INC.) and the SEACREST INDUSTRIES, INC. Stockholders, and the Board of Directors of the Registrant used criteria used in similar proposals involving the Registrant in the past, including the relative value of the assets of the Registrant; its present and past business operations; future potential of SEACREST INDUSTRIES, INC.; its management; and the potential benefit to the stockholders of the Registrant. The members of the Board of Directors determined in their good faith that the consideration for the exchange was reasonable, under these circumstances.

Advance Technologies, Inc. Form 10KSB/A2

13

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

The following documents are filed as part of this Form 10-KSB Annual Report:

- 1) Financial Statements

Advance Technologies, Inc. Form 10KSB/A2

14

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

Advance Technologies, Inc.
(a Development Stage Company)
Consolidated Financial Statements
September 30, 2000

C O N T E N T S

Independent Auditor's Report	2
Consolidated Balance Sheets	4
Consolidated Statements of Operations	5
Consolidated Statements of Stockholders' Equity	6
Consolidated Statements of Cash Flows	9
Notes to the Consolidated Financial Statements	11

FIN 1

Chesholm & Associates
Certified Public Accounts
A Professional Corporation PO Box 540216 Office (801) 292-8756
 North Salt Lake, Fax (801) 292-8809
 Utah 84054

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of
Advance Technologies, Inc.

We have audited the accompanying consolidated balance sheet of Advance Technologies, Inc. (a Development Stage Company) as of September 30, 2000 and the related statements of operations, stockholders' equity and cash flows for the years ended September 30, 2000 and 1999 and from inception on October 1, 1985 through September 30, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

opinion on these financial statements based on our audits. The financial statements for the period October 1, 1985 through September 30, 1995 were audited by other accountants, who expressed an unqualified opinion on their report dated February 12, 1996.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Fin 2

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Advance Technologies, Inc. (a Development Stage Company) as of September 30, 2000 and the results of its operations and cash flows for the years ended September 30, 2000 and 1999 and are in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has minimal assets and is dependent upon financing to continue operations. These factors raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in the Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Chisholm & Associates
Salt Lake City, Utah
December 27, 2000

Fin 3

Advance Technologies, Inc.
(a Development Stage Company)
Consolidated Balance Sheets

Assets		September 30, 2000
Current assets		
Cash	\$	1,646
Prepaid License (Note 4)		12,500

Total Current Assets		14,146

Property & Equipment		23,835
(net of accumulated depreciation) (Note 8)		
Total Assets	\$	37,981

Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts Payable	\$	27,291
Accrued wages		7,000
Accrued interest		2,816
Note Payable-Officer (Note 7)		49,500
Advance Royalties (Note 5)		25,000

Total Current Liabilities		111,607

Long Term Debt		
Line of Credit (Note 9)		79,500
Total Liabilities		191,107

Stockholders' Equity		
Common Stock, authorized 100,000,000 shares of \$.001 par value, issued and outstanding 2,572,923 shares	2,573	
Preferred Stock, Series A authorized 100,000,000 shares of \$.001 par value, issued and outstanding 50,204,102 shares	50,204	
Additional Paid in Capital	446,496	
Deficit Accumulated During the Development Stage (652,399)		(652,399)

Total Stockholders' Equity		(153,126)

Total Liabilities and Stockholders' Equity	\$	37,981

The accompanying notes are an integral part of these
financial statements FIN 4

Advance Technologies, Inc.
(a Development Stage Company)
Consolidated Statements of Operations

	For the	Cumulative
	Years ended	Total since
	September 30,	inception of
	2000	development
	1999	stage
	-----	-----

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

Revenues:	\$	-	\$	-	\$	-
Expenses:						
Depreciation & Amortization	14,665		-		14,665	
Interest	2,816		-		2,816	
Organization Costs	-		11,331		11,331	
Research & Development	11,250		-		11,250	
General and administrative	73,068		78,795		551,638	
	-----		-----		-----	
Total Expenses	101,799		91,126		591,700	
	-----		-----		-----	
Net (Loss)	\$ (101,799)		\$ (90,126)		(591,700)	
	-----		-----		-----	
Net Loss Per Share	\$ (0.03)		\$ (0.07)		(1.85)	
	-----		-----		-----	
Weighted average shares outstanding						
	2,572,923		1,322,924		319,374	
	-----		-----		-----	

The accompanying notes are an integral part of these financial statements

FIN 5

Advance Technologies, Inc.
(a Development Stage Company)
Consolidated Statement of Stockholders' Equity

Common Stock	Additional	Preferred	Stock	Deficit
Shares	paid-in	Shares	Amount	Accumulated
Amount	capital	Amount		During the
				Development
-----	-----	-----	-----	Stage

Balance, October 1, 1985 (beginning of the development stage)				
6,487	\$ 7	\$58,161	\$ -	\$ -
				\$ (60,701)
Shares issued for coal royalties at \$0.01				
4,369	4	1,525	-	-
Shares issued for services at \$0.25				
554	1	4,849	-	-
Shares issued for services at \$0.03				
1,601	2	1,680	-	-
Shares issued for services at \$0.25				
1,274	1	11,145	-	-
Shares issued for services at \$0.01				
2,290	2	798	-	-

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

Shares issued for services at \$0.25						
37,203	37	325,487	-	-	-	-
Preferred shares issued for services						
-	-	-	10,048	1,004	-	-
Expiration of preferred shares						
-	-	1,004	(10,048)	1,004	-	-
Net loss since the beginning of the development stage at October 1, 1985						
-	-	-	-	-	-	(344,001)

Balance, September 30, 1995						
53,778	54	404,649	-	-	-	(404,702)
FIN 6						
Shares issued for services at \$0.25						
5,714	6	49,994	-	-	-	-
Fractional shares adjustment						
(6)	(1)	-	-	-	-	-
Net loss for the year ended September 30, 1996						
-	-	-	-	-	-	(50,000)

Balance September 30, 1996						
59,486	59	454,643	-	-	-	(454,702)
Shares issued for services at \$0.25						
609	1	5,324	-	-	-	-
Net loss for the year ended September 30, 1997						
-	-	-	-	-	-	(5,325)

Balance September 30, 1997						
60,095	60	459,967	-	-	-	(460,027)
Shares issued for services at \$0.001						
12,828	13	436	-	-	-	-
Net loss for the year ended September 30, 1998						
-	-	-	-	-	-	(447)

Balance September 30, 1998						
72,923	73	460,403	-	-	-	(460,474)
Shares issued for cash at \$0.01						
2,500,000	2,500	22,500	-	-	-	-
Shares issued for common stock of SeaCrest Industries Corporation at \$0.001						
-	-	(36,407)	50,204,102	50,204	-	-
Net loss for the year ended September 30, 1999						
-	-	-	-	-	-	(90,126)

Balance September 30, 1999						
2,572,923	2,573	446,496	50,204,102	50,204	-	(550,600)
FIN 7						
Net loss for the year ended September 30, 2000						

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

-	-	-	-	-	(101,799)
-----	-----	-----	-----	-----	-----
Balance September 30, 2000					
2,572,923	\$2,573	\$446,496	50,204,102	\$50,204	\$ (652,399)
-----	-----	-----	-----	-----	-----

The accompanying notes are an integral part of these financial statements

FIN 8

Advance Technologies, Inc.
(a Development Stage Company)
Consolidated Statement of Cash Flows

	For the year ended September 30, 2000 1999		October 1, (inception of development stage) to September 30, 2000
	-----	-----	-----
Cash Flows from Operating Activities			
Net loss	\$ (101,799)	\$ (90,126)	\$ (591,700)
Adjustments to reconcile net loss to net cash provided by operations:			
Depreciation &			

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

Amortization	14,665	-	14,665
Decrease in Prepaids	2,180	-	2,180
Increase in Accounts Payable & accrued expenses	31,045	6,064	37,109
Stock issued for services	-	-	399,775
Organization Costs	-	11,331	11,331
	-----	-----	-----
Net cash flows provided (used) by operating activities	(53,909)	(72,731)	(126,640)
	-----	-----	-----
Cash Flows from Investment Activities:			
Purchase of Equipment (26,000)	-	-	(26,000)
Investment in Subsidiary	-	286	286
	-----	-----	-----
Net cash flows provided (used) by investing activities	(26,000)	286	(25,714)
			Fin 9
Cash Flows from Financing Activities:			
Cash paid on officer loan	-	(12,000)	(12,000)
Proceeds from Loan from officer	1,500	60,000	61,500
Proceeds from Line of Credit	79,500	-	79,500
Net proceeds from issuance of stock	-	25,000	25,000
	-----	-----	-----
Net cash flows provided (used) by operating activities	81,000	73,000	154,000
	-----	-----	-----
Net increase (decrease) in cash	1,091	555	1,646
Cash, beginning of year	555	-	-
	-----	-----	-----
Cash, end of year	\$ 1,646	\$ 555	\$ 1,646
	-----	-----	-----

The accompanying notes are an
integral part of these financial statements

FIN 10

Advance Technologies, Inc.
(a Development Stage Company)
Notes to the Consolidated Financial Statements
September 30, 2000

NOTE 1 - Summary of Significant Accounting Policies

a. Organization

The Company was organized under the laws of the state of Delaware on June 16, 1969 as PWB Industries, Inc. On November 10, 1975, the Company changed its name to Sun Energy, Inc. At that time the Company began operations in the oil and gas lease industry. By 1985 the Company discontinued its operations and became dormant. On March 6, 1996 the Company attempted a merger that eventually failed. On August 23, 1997 the Company changed its name to Advance Technologies, Inc. and moved its state of domicile to the state of Nevada.

On September 27, 1999 pursuant to a plan of acquisition, the Company exchanged 50,204,102 shares of its Series "A" preferred stock for SeaCrest Industries Corporation's 50,204,102 shares of common stock. This acquisition has been accounted for using the purchase method of a business combination.

The company is currently engaged in the development of a night vision system with applications in the military as well as civil. The company has an agreement with a Taiwan company wherein they are jointly developing the night vision system for use in Class A coaches. The company is also involved in the development of other Electro-optical mechanical devices.

b. Accounting Method

The Company recognizes income and expense on the accrual basis of accounting.

FIN 11

c. Consolidation

The consolidated financial statements include the accounts of Advanced Technologies, Inc. and SeaCrest Industries Corporation, a wholly owned subsidiary. Intercompany transactions have been eliminated.

d. Earnings (Loss) Per Share

The computation of earnings per share of common stock

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

is based on the weighted average number of shares outstanding at the date of the financial statements.

e. Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents.

f. Provision for Income Taxes

No provision for income taxes has been recorded due to net operating loss carryforwards totaling approximately \$(636,000) that will be offset against future taxable income. These NOL carryforwards begin to expire in the year 2004. No tax benefit has been reported in the financial statements because the Company believes there is a 50% or greater chance the carryforward will expire unused.

Deferred tax assets and the valuation account is as follows:

	September 30, 2000
Deferred tax asset:	-----
NOL carryforward	\$ 216,000
Valuation allowance	(216,000)

Total	\$ -

FIN 12

g. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and expenses during the reporting period. In these financial statements, assets and liabilities involve extensive reliance on management's estimates. Actual result could differ from those estimates.

NOTE 2 - Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has few assets and has had recurring operating losses and is dependent upon financing to continue operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. It is management's plan to finish development of its night vision technology and begin to market their product to generate the necessary revenue.

NOTE 3 - Development Stage Company

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

The Company is a development stage company as defined in Financial Accounting Standards Board Statement No. 7. It is concentrating substantially all of its efforts in raising capital and developing its business operations in order to generate significant revenues.

NOTE 4 - Prepaid License Agreement

SeaCrest Industries Corporation, formerly Infrared Systems International, Inc., entered into a licensing agreement with Hughes Aircraft Company for an infrared landing aid system. Hughes Aircraft Company was paid \$25,000 on October 25, 1995 upon commencement of the agreement. There is also a \$1,000 royalty payment due to Hughes Aircraft Company for each unit sold. The first twenty units sold, \$20,000, will be deducted from the original \$25,000 deposit. There were no units sold during the 2000 fiscal year and the project is currently on hold status, but is yet a viable project, therefore management has amortized \$12,500 of the original \$25,000 prepaid expense.

FIN 13

NOTE 5 - Advanced Royalties

SeaCrest Industries Corporation, formerly Infrared Systems International, Inc., entered into a licensing agreement for marketing and distributing of infrared aircraft landing systems. Seacrest received \$25,000 in advances. These royalty revenues have been deferred until future revenue streams, if any occur, and has been recorded as a liability.

NOTE 6 - Stock Transactions

On December 2, 1998 and August 23, 1997, the Company's board of directors authorized a reverse stock split, 1 share for 35 shares and 1 share for 10 shares, respectively. The financial statements have been retroactively restated to show the effects of the reverse stock split.

NOTE 7 - Related Party Transactions

Since the Company does not have the necessary operating revenue to sustain operations, stock has been issued for service. Some of the parties receiving stock are related parties, including officers of the Company.

During 1999, an officer of the Company advanced \$60,000 to cover expenses. \$12,000 was subsequently paid back leaving a note payable of \$48,000 at September 30, 1999. During the fiscal year 2000, this officer advanced \$1,500 to the company and the balance of the note payable is

FIN 14

\$49,500. The note payable-officer is considered a current liability with no provisions for interest.

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

During 1999, the officers of the Company paid their own travel expenses. The amount payable to the officers at September 30, 1999 is \$4,846, which was subsequently paid in fiscal 2000, leaving a balance of \$0.

NOTE 8 - Property & Equipment

Property & Equipment consists of the following at September 30, 2000:

Equipment-Lens	\$26,000
Accumulated Depreciation	(2,165)

Net Property & Equipment	\$23,835

Expenditures for property and equipment and for renewals and betterments, which extend the originally estimated economic life of assets or convert the assets to a new use, are capitalized at cost. Expenditures for maintenance, repairs and other renewals of items are charged to expense. When items are disposed of the cost and accumulated depreciation are eliminated from the accounts, and an gain or loss is included in the results of operations.

The provision for depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The useful lives of equipment are 5 years. Depreciation expense for the year ended September 30, 2000 is \$2,165.

NOTE 9 - Line of Credit

The Company has negotiated a Line of Credit with a corporation, wherein the Company has a credit limit of \$125,000.

FIN 15

The Company received advances of \$79,500 as of September 30, 2000, and has recorded accrued interest of \$2,816 in connection with the advances. The principal and interest is due January 1, 2004.

NOTE 10 - Subsequent Events

In October 2000, the Company received \$49,000 from a Taiwan corporation pursuant to an agreement to jointly develop a night vision system to be used by Class A coaches. The agreement provides for the receipt of \$96,000 in working capital and equipment to be provided from the Taiwan company valued at \$100,000.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Edgar Filing: ADVANCE TECHNOLOGIES INC - Form 10KSB/A

Advance Technologies, Inc.

Date: 6/14/2001 By: /s/ Gary E. Ball
Gary E. Ball
President, Director