

SPEDEMISSIONS INC
Form 10QSB
November 14, 2005

**UNITED STATES 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, 2005

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____.

Commission file number: 000-49688

Speedemissions, Inc.

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

Florida
(State or other jurisdiction of
incorporation or organization)

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

1134 Senoia Road
Suite B-2
Tyrone, GA
(Address of principal executive offices)

30290
(Zip Code)

Issuer's telephone number (770) 306-7667

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

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 November 1, 2005, there were 26,585,808 shares of common stock, par value \$0.001, issued and outstanding.

Transitional Small Business Disclosure Format

(check one):

Yes No

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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

SPEEDEMISSIONS, INC.
(Accounting and Reporting Successor to SKTF Enterprises, Inc. - see Note 1)
Condensed Consolidated Balance Sheet
September 30, 2005
(Unaudited)

Assets	
Current assets:	
Cash	\$ 299,118
Other current assets	303,242
Total current assets	602,360
Property and equipment, at cost less accumulated depreciation and amortization	1,452,941
Goodwill	8,182,177
Other assets	65,109
Total assets	\$ 10,302,587
Liabilities and Stockholders' Equity	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 1,162,152
Debt payable to related parties	1,064,050
Accrued interest on debt payable to related parties	274,691
Current portion of capitalized lease obligation	27,308
Total current liabilities	2,528,201
Long-term liabilities:	
Debt payable to related parties less current portion	1,055,284
Capitalized lease obligation less current portion	7,176
Total long-term liabilities	1,062,460
Total liabilities	3,590,661
Commitments and contingencies	
Stockholders' equity:	
Series A convertible and cumulative preferred stock, \$.001 par value, 5,000,000 shares authorized, 2,500 shares issued and outstanding	3
Series B convertible and cumulative preferred stock, \$.001 par value, 3,000,000 shares authorized, 2,500,000 shares issued and outstanding	2,500

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Common stock, \$.001 par value, 250,000,000 shares authorized, 26,585,808 shares issued and outstanding	26,586
Additional paid-in capital	19,605,293
Deferred compensation	(32,864)
Accumulated deficit	(12,889,592)
Total stockholders' equity	6,711,926
Total liabilities and stockholders' equity	\$ 10,302,587

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

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

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2005	2004	2005	2004
Revenue	\$ 2,084,061	\$ 758,008	\$ 4,617,932	\$ 2,122,138
Costs and expenses:				
Cost of emission certificates	615,745	233,681	1,436,546	649,432
General and administrative expenses	2,000,243	970,855	4,410,927	3,955,626
Loss from operations	(531,927)	(446,528)	(1,229,541)	(2,482,920)
Interest expense	70,291	13,793	199,679	49,633
Net loss	\$ (602,218)	\$ (460,321)	\$ (1,429,220)	\$ (2,532,553)
Less preferred dividends - undeclared	44,110	44,110	132,330	121,782
Beneficial conversion feature on Series B convertible preferred stock	—	—	4,577,632	—
Net loss attributable to common shareholders	\$ (646,328)	\$ (504,431)	\$ (6,139,182)	\$