

INNOFONE COM INC
Form 10KSB/A
January 24, 2006

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

**FORM 10-KSB/A
Amendment No. 1**

**ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE
ACT OF 1934**

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NO. 0-31949

INNOFONE.COM, INCORPORATED
(NAME OF SMALL BUSINESS ISSUER IN ITS CHARTER)

Nevada
(STATE OR OTHER JURISDICTION
OF INCORPORATION OR
ORGANIZATION)

98-0202313
(IRS EMPLOYER
IDENTIFICATION NUMBER)

**1431 Ocean Avenue, Suite1100
Santa Monica, CA 90401**
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(310) 458-3233
(ISSUER'S TELEPHONE NUMBER)

Securities registered under Section 12(b) of the Securities Exchange Act
of 1934, as amended ("Exchange Act"): NONE.

Title of each class name of each exchange on which registered Securities
registered under Section 12(g) of the Exchange Act:

COMMON STOCK, PAR VALUE \$0.001 PER SHARE.

Check whether the issuer (1) filed all reports required to be filed under Section 13 or 15(d) of the Exchange Act, during the past 12 months (or for such shorter period that the Issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of Issuer'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. Yes No

The Issuer had no revenues for the fiscal year ended June 30, 2005. The aggregate market value of the voting stock held by non-affiliates of the Issuer based upon the last sale price of our common stock on October 12, 2005 was approximately \$32,263,560.50. Shares of common stock held by each executive officer and director and by certain persons who own 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

Number of shares outstanding of Issuer's common stock, \$0.001 par value, outstanding on October 11, 2005: 61,388,270.

Documents Incorporated by Reference: NONE

Transitional Small Business Disclosure Format (Check one): Yes ; No

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Explanatory Note

On October 14, 2005, Innofone.com Incorporated (the "Company") filed its Annual Report on Form 10-KSB for its fiscal year ended June 30, 2005 (the "2005 Form 10-KSB"). The Company is filing this Amendment No. 1 on Form 10-KSB/A to reflect in its 2004 financial statements the removal of certain items as extraordinary as per paragraph 26 of APB 30 and to adjust the 2004 financial statements to reflect previously reported debt forgiveness as capital contribution. Further, revisions have been made to the certifications to this 2005 Form 10-KSB and to reflect the recent resignation of the Company's Chief Financial Officer. Disclosure pertaining to the resignation of the Chief Financial Officer has been previously filed on Form 8-K Current Report filed on January 23, 2006.

This Amendment does not reflect events occurring after the filing of the original 2005 Form 10-KSB and other than making the adjustments stated, does not modify or update the disclosures in the original 2005 Form 10-KSB in any way, including the 2005 financial statements.

PART III

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

All references to the Company's Forms 8-K, 10-K, 10-QSB and 10-KSB include reference to File No. 0-31949

(a) Exhibits

| Exhibit No. | Document |
|-------------|---|
| 3.1 | Articles of Incorporation of Innofone.com, Incorporated, as amended (1) |
| 3.2 | Bylaw, as amended (1) |
| 10.1 | Employment Agreement between the Company and Gerard Casale, Jr., dated September 6, 2005 (1) |
| 10.2 | Employment Agreement between the Company and Frederic D. Geesey, dated September 22, 2005 (1) |
| 10.3 | Stock Purchase Agreement between the Company and Alex Lightman, dated August 8, 2005 (incorporated by reference to Exhibit 10.1 filed with the Company's Form 8-K on August 19, 2005 ("August 8-K")). |
| 10.4 | Investment Agreement between the Company and Alex Lightman, dated August 8, 2005 (incorporated by reference to Exhibit 10.2 filed with the Company's August 8-K). |
| 10.5 | Form of Callable Secured Convertible Note, dated August August 31, 2005 (incorporated by reference to Exhibit 10.1 filed with the Company's Form 8-K on September 6, 2005 ("September 8-k")). |
| 10.6 | Stock Purchase Agreement between the Company and various investors, dated August 31, 2005 (incorporated by reference to Exhibit 10.2 filed with the Company's September 8-K). |
| 10.7 | Security Agreement between the Company and certain secured parties, dated August 31, 2005 (incorporated by reference to Exhibit 10.3 filed with the Company's September 8-K). |
| 10.8 | Guaranty and Pledge Agreement between the Company, Alex Lightman and certain Pledges, dated August 31, 2005 (incorporated by reference to Exhibit 10.4 filed with the Company's September 8-k). |
| 10.9 | Form of Stock Purchase Warrant issued by the Company to various investors, dated August 31, 2005 (incorporated by reference to Exhibit 10.4 filed with the Company's September 8-k). |
| 10.10 | Commercial Lease between the Company and Barrington Pacific, LLC, dated October 7, 2003 (1) |
| 10.11 | Form of Promissory Note, dated October 12, 2005 issued to Alex Lightman (1) |
| 21 | List of Company's subsidiaries (1) |
| 23.1 | Consents of Experts and Counsel* |
| 23.2 | Consents of Experts and Counsel (1) |

31.1 Rule 13a-14(a)/15d-14(a) Certification of the Principal Executive Officer and Principal Financial Officer*

32.1 Section 1350 Certification *

* Filed herewith.
(1) Previously filed on Form 10-KSB filed October 14, 2005.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Company has duly caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized on the 24th day of January 2006.

INNOFONE.COM, INCORPORATED

By: /s/ Alex Lightman

Alex Lightman, Chief Executive Officer, President and
Principal Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this amended report has been signed by the following persons in the capacities and on the dates indicated.

| Signature | Title | Date |
|--------------------|---|------------------|
| /s/Alex Lightman | Chief Executive Officer, President, | January 24, 2006 |
| Alex Lightman | Principal Financial Officer and Director | |
| /s/ Peter Maddocks | Director | January 24, 2006 |
| Peter Maddocks | | |

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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors and Shareholders of:
INNOFONE.COM, INCORPORATED**

We have audited the accompanying balance sheets of **INNOFONE.COM, INCORPORATED** as at June 30, 2005 and 2004, and the statements of operations, shareholders' deficit and cash flows for each of the years in the three-year period ended June 30, 2005. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). These standards require that we plan and perform an audit to obtain reasonable assurance 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.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at June 30, 2005 and 2004, and the results of its operations and their cash flows for each of the years in the three-year period ended June 30, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ Danziger & Hochman

**Toronto, Ontario
July 25, 2005**

Chartered Accountants

Table of Contents**INNOFONE.COM, INCORPORATED****Statement I****Balance Sheet**

As at June 30, 2005 and 2004

(Stated in United States Dollars)

| | 2005 | 2004 |
|---------------------------------|---------------------|---------------------|
| ASSETS | \$ | – \$ |
| LIABILITIES | \$ | – \$ |
| SHAREHOLDERS' DEFICIENCY | | |
| CAPITAL STOCK (note 3) | | |
| Common shares | 4,898,880 | 4,879,010 |
| Additional paid-in capital | 9,975,954 | 9,314,824 |
| | 14,874,834 | 14,193,834 |
| (DEFICIT) - Statement II | (14,874,834) | (14,193,834) |
| | – | (–) |
| | \$ | – \$ |

{See accompanying notes.}

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Table of Contents**INNOFONE.COM, INCORPORATED****Statement II****Statement of Shareholders' Deficit**

For The Years Ended June 30, 2005, 2004 and 2003

(Stated in United States Dollars)

| | Common Shares | Additional Paid-In Capital | Deficit | Total |
|--|--------------------------|---|-----------------|--------------|
| BALANCE, June 30, 2002 | \$ 4,842,772 | \$ 7,719,593 | \$ (13,318,937) | \$ (756,572) |
| Convertible note converted to stock | 2,300 | 647,700 | - | 650,000 |
| Issuance of shares for legal services | 500 | 1,887 | - | 2,387 |
| Issuance of shares for consulting services | 26,378 | 180,932 | - | 207,310 |
| Net loss | - | - | (209,697) | (209,697) |
| BALANCE, June 30, 2003 | 4,871,950 | 8,550,112 | (13,528,634) | (106,572) |
| Issuance of shares for selling, general and administrative services | 7,060 | 448,140 | - | 455,200 |
| Forgiveness of debt from related party | - | 316,572 | - | 316,572 |
| Net loss | - | - | (665,200) | (665,200) |
| BALANCE, June 30, 2004 | 4,879,010 | 9,314,824 | (14,193,834) | - |
| Issuance of shares for selling, general and administrative services (note 4) | 19,870 | 661,130 | - | 681,000 |
| Net loss | - | - | (681,000) | (681,000) |
| BALANCE, June 30, 2005 | \$ 4,898,880 | \$ 9,975,954 | \$ (14,874,834) | - |

{See accompanying notes.}

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Table of Contents**INNOFONE.COM, INCORPORATED****Statement III****Statement of Operations**For The Years Ended June 30, 2005, 2004 and
2003**(Stated in United States Dollars)**

| | 2005 | 2004 | 2003 |
|---|---------------------|---------------------|---------------------|
| REVENUE | \$ — | \$ — | \$ — |
| EXPENSES | | | |
| Selling, general and administrative services (note 4) | 681,000 | 455,200 | 209,697 |
| Write-off of investment | — | 210,000 | — |
| Net (Loss) from Operations | (681,000) | (665,200) | (209,697) |
| NET (LOSS) FOR THE YEAR | \$ (681,000) | \$ (665,200) | \$ (209,967) |
| BASIC NET (LOSS) PER SHARE (Note 5) | \$ (0.03) | \$ (0.14) | \$ (1.37) |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | 20,098,984 | 4,740,817 | 152,682 |

{See accompanying notes.}

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Table of Contents**INNOFONE.COM, INCORPORATED****Statement IV****Statement of Cash Flows**

For The Years Ended June 30, 2005, 2004 and 2003

(Stated in United States Dollars)

| | 2005 | 2004 | 2003 |
|--|--------------|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net (loss) for year - (Statement III) | \$ (681,000) | \$ (665,200) | \$ (209,697) |
| Issuance of shares for sales, general and administrative services (note 4) | 681,000 | 455,200 | 209,697 |
| Write-off of investment | - | 210,000 | - |
| Accounts payable and accrued liabilities | - | - | (104,000) |
| Net cash provided by (used in) operating activities | - | - | (104,000) |
| FINANCING ACTIVITIES | | | |
| Due to officers and directors | - | - | 104,000 |
| Issuance of capital stock | - | - | 650,000 |
| Convertible debt | - | - | (650,000) |
| Net cash provided by (used in) financing activities | - | - | 104,000 |
| INCREASE IN CASH | - | - | - |
| CASH, BEGINNING OF YEAR | - | - | - |
| CASH, END OF YEAR | \$ - | \$ - | \$ - |
| Non cash transactions: | | | |
| Issuance of shares for sales, general and administrative services (note 4) | \$ 681,000 | \$ 425,200 | \$ 209,697 |
| Write off of investment | - | 210,000 | - |
| Accounts payable | - | (316,572) | (104,000) |
| Due to officers and directors | - | - | 104,000 |
| Issuance of capital stock for debt | - | - | 650,000 |
| Convertible debt | - | - | (650,000) |

{See accompanying notes.}

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INNOFONE.COM, INCORPORATED

Notes to the Financial Statements

June 30, 2005 and 2004

(Stated in United States Dollars)

1. NATURE OF OPERATIONS

The Company was incorporated in Nevada on December 19, 1995 and is in the process of attempting to raise capital for future operations. As the Company does not have any assets, it would require new capital to fund any future ventures.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in conformity with accounting principles generally accepted in the United States of America and include the following significant accounting policies:

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Income Taxes

The Company accounts for its income taxes under the liability method specified by Statement of Financial Accounting Standards (SFAS) No. 109, Accounting for Income Taxes. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities as measured by the enacted tax rates which will be in effect when these differences reverse. Deferred tax expense is the result of changes in deferred tax assets and liabilities.

In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income and tax planning strategies in making this assessment. As the Company does not currently have any operations or assets, they are not anticipating the recovery of any tax assets and therefore, have not reflected any future tax asset.

Table of Contents**INNOFONE.COM, INCORPORATED****Notes to the Financial Statements**

June 30, 2005 and 2004

(Stated in United States Dollars)**3. CAPITAL STOCK**

The number of outstanding shares of the Company as at June 30, 2005 is computed as follows:

| | Common |
|---|---------------|
| Outstanding Shares as at June 30, 2002 | 100,022,505 |
| Shares issued in exchange for consulting fees | 23,357,826 |
| Shares issued in exchange for legal fees | 500,000 |
| Reverse stock split: 175 shares for one share | (123,172,444) |
| Share issuance on conversion of debt | 2,300,000 |
| Share issuance on exchange for consulting fees | 3,021,800 |
| Reverse stock split: 20 shares for one share | (5,728,203) |
| Outstanding shares as at June 30, 2003 | 301,484 |
| Shares issuance on exchange for sales, general and administrative services | 7,060,000 |
| Outstanding shares as at June 30, 2004 | 7,361,484 |
| Shares previously issued that were cancelled in the year | (126,214) |
| Shares issuance in exchange for sales, general and administrative services (note 4) | 20,000,000 |
| Outstanding shares as at June 30, 2005 | 27,235,270 |

The Company's authorized capital stock consists of 950,000,000 shares of common stock and 25,000,000 shares of preferred stock each with a par value of \$0.001 per share. There are no outstanding preferred shares at year end.

4. RELATED PARTY TRANSACTIONS

During the year the Company issued 13,750,000 restricted shares and 6,250,000 regular shares to the sole director and majority shareholder for services and reimbursement of costs.

5. BASIC NET LOSS PER SHARE

Basic net loss per share figures are calculated using the weighted average number of common shares outstanding computed on a daily basis. The effect of the conversion of the preferred shares on an if-converted basis and stock options has an anti-dilutive effect.

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