

Edgar Filing: Global Resource CORP - Form 10QSB/A

Global Resource CORP
Form 10QSB/A
October 31, 2006

=====

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

FORM 10-QSB/A
(Amendment No. 1)

(Mark One)

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

For the quarterly period ended December 31, 2005

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.: 000-50944

GLOBAL RESOURCE CORPORATION
(f/k/a 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.)

9444 Waples Street, Suite 290
San Diego, CA 92121
(Address of principal executive offices)

Issuer's telephone number: (858) 646-7410

(Former name, former address and former fiscal year,
if changed since last report)

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 No

Indicate by check mark whether the registrant is a shell company (as defined in
Rule 12b-2 of the Exchange Act).

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

As of August 21, 2006, 72,151 shares of Global Resource's common stock were

Edgar Filing: Global Resource CORP - Form 10QSB/A

outstanding.

Transitional Small Business Disclosure Format: Yes No

=====

EXPLANATORY NOTE

This quarterly report on Form 10-QSB/A ("Form 10-QSB/A") is being filed to amend our quarterly report on Form 10-QSB for the quarter ended December 31, 2005 (the "Original Form 10-QSB"), which was originally filed with the Securities and Exchange Commission ("SEC") on February 14, 2006. Accordingly, pursuant to rule 12b-15 under the Securities Exchange Act of 1934, as amended, the Form 10-QSB/A contains complete text of Items 1, 2 and 3 of Part I and Items 2 and 4 of Part II, as amended, as well as currently dated certifications from the Principal Executive Officer and the Principal Financial Officer.

In connection with the review of the unaudited interim financial statements for the nine months ended December 31, 2005 and the fiscal year ended March 31, 2005, our external auditors noted that the Original Form 10-QSB did not reflect the effects of the Company's reverse stock split of 100 to 1. The reverse stock split became effective as of the close of trading on Friday, August 11, 2006.

On July 3, 2006, the Company concluded that it was necessary to restate its financial results for the fiscal year ended March 31, 2005 and for the interim periods ended September 30 and December 31, 2004 and 2005 and for the interim period ended June 30, 2005 to reflect additional non-operating gains and losses related to the classification of and accounting for convertible debentures issued in fiscal 2005. The Company had previously determined a beneficial conversion feature, valued the conversion features at the intrinsic value and classified the convertible instruments as equity. After further review, the Company has determined that these instruments should have been classified as derivative liabilities and therefore, the fair value of each instrument must be recorded as a derivative liability on the Company's balance sheet. Changes in the fair values of these instruments will result in adjustments to the amount of the recorded derivative liabilities and the corresponding gain or loss will be recorded in the Company's statement of operations. At the date of the conversion of each respective instrument or portion thereof, the corresponding derivative liability will be reclassified as equity.

2

PART 1: FINANCIAL INFORMATION

ITEM 1 - CONDENSED FINANCIAL STATEMENTS

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)

BALANCE SHEETS

ASSETS

	December 31, 2005	March 31, 2005
--	----------------------	-------------------

Edgar Filing: Global Resource CORP - Form 10QSB/A

	(Unaudited) (Restated)	(Restated)
CURRENT ASSETS		
Cash	\$ 131	\$ 175
Total Current Assets	131	175
OTHER ASSETS		
Investments (Note 6)	-	57,073
Total Other Assets	-	57,073
TOTAL ASSETS	\$ 131	\$ 57,248

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES

Accounts payable	\$ 46,763	\$ 5,438
Accounts payable - related party	54,004	52,795
Accrued expenses - related party	1,000	--
Wages payable	190,000	150,000
Accrued interest	12,888	4,716
Derivative liability	173,239	168,896
Convertible debentures, net of \$18,591 debt discount at March 31, 2005	102,345	119,309
Total Current Liabilities	580,239	501,154

STOCKHOLDERS' DEFICIT

Preferred stock: 50,000,000 shares authorized of \$0.001 par value, no shares issued and outstanding	--	--
Common stock: 2,000,000,000 shares authorized, of \$0.001 par value, 72,151 shares issued and outstanding	72	72
Additional paid-in capital	6,892,663	6,887,163
Accumulated deficit	(7,472,843)	(7,331,141)
Total Stockholders' Deficit	(580,108)	(443,906)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 131	\$ 57,248

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

F-1

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)

Edgar Filing: Global Resource CORP - Form 10QSB/A

STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ended December 31,		For the nine months ended December 31,	
	2005	2004	2005	2004
	(Restated)	(Restated)	(Restated)	(Restated)
REVENUES	\$ --	\$ --	\$ --	\$ --
COST OF GOODS SOLD	--	--	--	--
GROSS PROFIT	--	--	--	--
OPERATING EXPENSES	31,834	129,251	89,079	180,399
LOSS FROM OPERATIONS	(31,834)	(129,251)	(89,079)	(180,399)
OTHER INCOME (EXPENSE)				
Interest Expense	(2,656)	(54,943)	(26,763)	(54,943)
Derivative expense	--	(80,685)	--	(80,685)
Gain (loss) on derivative	83,595	38,910	(4,342)	38,910
Unrealized loss on Investment	--	--	(21,518)	--
Total Other Income (Expense)	80,939	(96,718)	(52,623)	(96,718)
INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	49,105	(225,969)	(141,702)	(277,111)
LOSS FROM DISCONTINUED OPERATIONS (NOTE 5)	--	--	--	(116,940)
NET INCOME (LOSS)	\$ 49,105	\$ (225,969)	\$ (141,702)	\$ (394,051)
BASIC LOSS PER SHARE				
Continuing Operations	\$ 0.68	\$ (4.51)	\$ (1.96)	\$ (8.44)
Discontinued Operations	--	--	--	(3.51)
Total Gain (Loss) per Share	\$ 0.68	\$ (4.51)	\$ (1.96)	\$ (12.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	72,151	50,130	72,151	32,740

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

Edgar Filing: Global Resource CORP - Form 10QSB/A

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)

Statements of Cash Flows (Unaudited)

	For the nine months ended December 31,	
	2005	2004
	----- (Restated)	----- (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (141,702)	\$ (394,059)
Adjustments to reconcile net loss to net cash used by operating activities:		
Unrealized loss on investment	21,518	--
Depreciation and amortization	--	509
Contributed services	5,500	--
Stock issued for services	--	875
(Gain) / Loss on derivative	4,342	--
Interest expense for debt discount amortization	18,591	--
Changes in assets and liabilities:		
Increase in accounts payable and accounts payable - related party	42,535	35,805
Increase in accrued expenses and accrued expenses - related party	49,172	128,670
Increase in derivative liability	--	141,775
(Increase) in debt discount	--	(46,727)
Changes in discontinued assets and liabilities	--	106,679
	-----	-----
Net Cash Used by Operating Activities	(44)	(26,473)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES	--	--
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash used for partner draw	--	(12,006)
Cash contributed by former officer	--	20,000
Common stock sold or subscribed for cash	--	12,200
Proceeds from issuance of note payable	--	15,500
Change from cash overdraft	--	(13,736)
Proceeds from convertible debenture	--	100,000
	-----	-----
Net Cash Provided by Financing Activities	\$ --	\$ 121,958
	-----	-----

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

Edgar Filing: Global Resource CORP - Form 10QSB/A

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)

STATEMENTS OF CASH FLOWS (CONTINUED)
(Unaudited)

	For the nine months ended December 31,	
	2005	2004
	(Restated)	(Restated)
NET INCREASE (DECREASE) IN CASH	(44)	95,485
CASH AT BEGINNING OF PERIOD	175	--
CASH AT END OF PERIOD	\$ 131	\$ 95,485
CASH PAID FOR		
Interest	\$ --	\$ --
Income taxes	\$ --	\$ --
SCHEDULE OF NON CASH FINANCING ACTIVITIES		
Contributed capital by shareholders	\$ 5,500	\$ 247,546

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

F-4

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)

Notes to the Financial Statements
December 31, 2005

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 December 31, 2005 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, 2005 audited financial statements. The results of operations for the period ended December 31, 2005 are not necessarily indicative of the operating results for the full year.

Edgar Filing: Global Resource CORP - Form 10QSB/A

On December 15, 2005, after a thorough review of the costs and potential regulatory requirements of complying with the Investment Company Act of 1940, the Board of Directors of the Company approved "Notification of Withdrawal" on Form n-54C with the Securities and Exchange Commission to withdraw our election to be subject to sections 55 through 65 of the Investment Company Act of 1940. On December 19, 2005, our "Notification of Withdrawal" on Form n-54C was filed with the Securities and Exchange Commission. As such, and with the transfer of the Well Renewal, LLC interest, the Company has become a Development Stage Company. Although we became a Development Stage Company on December 15, 2005, the inception disclosures on the Statement of Operations and the Statement of Cash Flows will begin January 1, 2006.

NOTE 2 - GOING CONCERN

The Company's financial statements are prepared using the accounting principles generally accepted in the United States of America 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.

NOTE 3 - RESTATEMENT AND RECLASSIFICATION OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

SUMMARY OF RESTATEMENT ITEMS

On July 3, 2006, GRSU concluded that it was necessary to restate its financial results for the fiscal year ended March 31, 2005 and for the interim periods ended September 30 and December 31, 2004 and 2005 and for the interim period ended June 30, 2005 to reflect additional non-operating gains and losses related to the classification of and accounting for convertible debentures issued in fiscal 2005. GRSU had previously determined a beneficial conversion feature, valued the conversion features at the intrinsic value and classified the convertible instruments as equity. After further review, GRSU has determined that these instruments should have been classified as derivative liabilities and therefore, the fair value of each instrument must be recorded as a derivative liability on GRSU's balance sheet. Changes in the fair values of these instruments will result in adjustments to the amount of the recorded derivative liabilities and the corresponding gain or loss will be recorded in GRSU's statement of operations. At the date of the conversion of each respective instrument or portion thereof, the corresponding derivative liability will be reclassified as equity.

The accompanying financial statements for the periods ended December 31, 2005 and 2004 have been restated to effect the changes described above. The impact of the adjustments related to the classification of and the accounting for the conversion features and the accounting for the beneficial conversion feature for the quarters ended December 31, 2005 and 2004 are summarized below:

Edgar Filing: Global Resource CORP - Form 10QSB/A

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)

Notes to the Financial Statements
December 31, 2005

STATEMENT OF OPERATIONS

	AS PREVIOUSLY REPORTED	NINE MONTHS ENDED DECEMBER 31, 2005 ADJUSTMENT	AS RESTA
	-----	-----	-----
Gross profit	\$ --	\$ --	\$
Operating expenses	89,079	--	89,
	-----	-----	-----
Loss from operations	(89,079)	--	(89,
Non operating income (expense)			
Interest expense	(8,172)	(18,591) (A)	(26,
Loss on investment valuation	(21,518)	--	(21,
Loss on derivative liability	--	(4,342) (B)	(4,
	-----	-----	-----
Total non-operating income (expense)	(29,690)	(22,933)	(52,
Loss before minority interest, income taxes, and discontinued operations	(118,769)	(22,933)	(141,
	-----	-----	-----
Loss from discontinued operations	--	--	
Net income (loss)	\$ (118,769)	\$ (22,933)	\$ (141,
	=====	=====	=====
Basic and diluted income (loss) per share	\$ (1.65)	\$ (.31) (C)	\$ (1
Weighted average shares outstanding	72,151		72,

- (A) CHANGE DUE TO AMORTIZATION OF DEBT DISCOUNT RELATED TO THE DERIVATIVE LIABILITY AND REVERSING THE IMPACT OF AMORTIZATION OF DEBT DISCOUNT RELATED TO THE BENEFICIAL CONVERSION FEATURE.
- (B) TO RECORD LOSS ON DERIVATIVES BASED UPON FAIR VALUES AT DECEMBER 31, 2005.
- (C) TO REFLECT BASIC AND DILUTED EARNINGS PER SHARE BASED UPON CORRECTED NET INCOME.

F-6

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)

Notes to the Financial Statements
December 31, 2005

BALANCE SHEET IMPACT

In addition to the effects on GRSU's December 31, 2005 statement of operations

Edgar Filing: Global Resource CORP - Form 10QSB/A

discussed above, the restatement impacted GRSU's balance sheet as of December 31, 2005. The following table sets forth the effects of the restatement adjustments on GRSU's balance sheet as of December 31, 2005:

	DECEMBER 31, 2005 AS PREVIOUSLY REPORTED -----	ADJUSTMENT -----
ASSETS		
Current assets		
Cash and equivalents	\$ 131	\$ --
	-----	-----
Total current assets	131	--
	-----	-----
Total assets	\$ 131	\$ --
	=====	=====
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts Payable	\$ 46,763	\$ --
Accounts payable - related party	54,004	--
Accrued expenses	203,888	--
Debt discount	--	(155,000) (A)
		155,000 (B)
Derivative liability	--	282,086 (C)
		(108,847) (D)
Convertible debentures	102,345	--
	-----	-----
Total current liabilities	407,000	173,239
	-----	-----
Total liabilities	\$ 407,000	\$ 173,239
	-----	-----
STOCKHOLDERS' DEFICIT		
Preferred stock: 50,000,000 shares authorized of \$0.001 par value, no shares issued and outstanding		
	--	--
Common stock: 2,000,000,000 shares authorized, of \$0.001 par value, 72,151 shares issued and outstanding		
	7,215	(7,143) (G)
Additional paid in capital	7,065,520	(172,857) (E)
Accumulated deficit	(7,479,604)	6,761 (F)
	-----	-----
Total stockholders' deficit	(406,869)	(173,239)
	-----	-----
Total liabilities and stockholders' deficit	\$ 131	\$ --
	=====	=====

- (A) TO RECORD THE INITIAL DEBT DISCOUNT ASSOCIATED WITH THE DERIVATIVE LIABILITIES.
- (B) CHANGE DUE TO AMORTIZATION OF DEBT DISCOUNT.
- (C) TO RECORD INITIAL CARRYING VALUE OF DERIVATIVES IN FISCAL 2005 INCLUDING \$90,342 FOR THE NOVEMBER 2004 TRANSNIX GLOBAL CORPORATION DEBENTURE, \$90,342 FOR THE NOVEMBER 2004 EDIFY CAPITAL GROUP DEBENTURE, \$45,916 FOR THE JANUARY 2005 EDIFY CAPITAL GROUP DEBENTURE AND \$55,486 FOR THE JANUARY 2005 TRANSNIX GLOBAL CORPORATION DEBENTURE.
- (D) TO RECORD GAIN OF \$108,847 ON DERIVATIVES BASED UPON FAIR VALUES AT DECEMBER 31, 2005.
- (E) TO REDUCE PAID IN CAPITAL FOR REVERSAL OF THE BENEFICIAL CONVERSION FEATURE IMPACT.

Edgar Filing: Global Resource CORP - Form 10QSB/A

(F) TO REFLECT AGGREGATE EFFECT OF INCOME STATEMENT ADJUSTMENTS.

(G) TO REFLECT THE 100 TO 1 REVERSE STOCK SPLIT

F-7

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)

Notes to the Financial Statements
December 31, 2005

STATEMENT OF OPERATIONS

	AS PREVIOUSLY REPORTED	NINE MONTHS ENDED DECEMBER 31, 2004 ADJUSTMENT	AS RES
	-----	-----	-----
Gross profit	\$ --	\$ --	\$
Operating expenses	204,520	(24,125)	1
Loss from operations	(204,520)	24,125	(1)
Non operating income (expense)			
Interest expense	(126,670)	71,727 (A)	(
Derivative expense	--	(80,685)	(
Gain on derivative liability	--	38,910 (B)	
Total non-operating income (expense)	(126,670)	29,952	(
Loss before minority interest, income taxes, and discontinued operations	(331,190)	54,077	(2)
Loss from discontinued operations	(116,946)	--	(1)
Net income (loss)	\$ (448,136)	\$ 54,077	\$ (3)
	=====	=====	=====
Basic and diluted income (loss) per share	\$ (13.69)	\$ 1.65 (C)	\$
Weighted average shares outstanding	32,742	--	

(A) CHANGE DUE TO AMORTIZATION OF DEBT DISCOUNT RELATED TO THE DERIVATIVE LIABILITY AND REVERSING THE IMPACT OF AMORTIZATION OF DEBT DISCOUNT RELATED TO THE BENEFICIAL CONVERSION FEATURE.

(B) TO RECORD GAIN ON DERIVATIVES BASED UPON FAIR VALUES AT DECEMBER 31, 2004.

(C) TO REFLECT BASIC EARNINGS PER SHARE BASED UPON CORRECTED NET INCOME.

F-8

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)

Edgar Filing: Global Resource CORP - Form 10QSB/A

Notes to the Financial Statements
December 31, 2005

NOTE 4 - DERIVATIVES

Global Resource evaluated the application of SFAS 133 and EITF 00-19 for the convertible debentures issued in fiscal 2005. Based on the guidance in SFAS 133 and EITF 00-19, Global Resource concluded all of these instruments were required to be accounted for as derivatives. SFAS 133 and EITF 00-19 require Global Resource to bifurcate and separately account for the conversion features of the debentures as embedded derivatives. Pursuant to SFAS 133, Global Resource bifurcated the conversion feature from the debentures because the economic characteristics and risks of the conversion features were determined to not be clearly and closely related to the economic characteristics and risks of the debentures. In addition, because there was no explicit cap on the amount of shares that might be required to be issued pursuant to the conversion features, Global Resource determined that the conversion features met the attributes of a liability and therefore recorded the fair value of the conversion features as current liabilities. Global Resource is required to record the fair value of the conversion features on its balance sheet at fair value with changes in the values of these derivatives reflected in the statement of operations as "Gain (loss) on derivative." These derivative liabilities were not previously classified as such in Global Resource's historical financial statements. In order to reflect these changes, Global Resource has restated its financial statements for the quarters ended December 31, 2005 and 2004.

The impact of the application of SFAS 133 and EITF 00-19 on the balance sheet as of December 31, 2005 and the impact on the statement of operations as of December 31, 2005 are as follows:

	MARCH 31, 2005	LOSS	DECEMBER 31, 2005
Derivative liability - debentures	\$ 168,896	4,342	\$ 173,239

Global Resource uses the Black Scholes valuation model for calculation of the value of derivative liabilities. The company uses volatility rates based upon the closing stock price of its common stock. Global Resource uses a risk free interest rate which is the U.S. Treasury bill rate for securities with a maturity that approximates the estimated expected life of a derivative. Global Resource uses the closing market price of the common stock on the date of issuance of a derivative or at the end of a quarter when a derivative is valued at fair value. The volatility factor used in the Black Scholes pricing model has a significant effect on the resulting valuation of the derivative liabilities on the balance sheet. The volatility has ranged from 241% to 491% during the years ending December 31, 2005 and 2004. The following table shows the volatility, risk free rate and market price used in the calculation of the Black Scholes call value for the debentures at issuance date and for the years ended December 31, 2005 and 2004.

	ISSUE DATE	VOLATILITY	RISK FREE RATE	MARKET PRICE
At Issuance date for:				
November 2004 Debentures	11/4/2004	457%	2.34%	\$ 0.035
January 2005 Debentures Warrants	1/7/2005	442%	2.82%	\$ 0.0135
January 2005 Debentures	1/17/2005	474%	2.82%	\$ 0.01
Prices and average rates at:				
December 31, 2005		241%	4.38%	\$ 0.014

Edgar Filing: Global Resource CORP - Form 10QSB/A

December 31, 2004

491%

2.22%

\$ 0.010

NOTE 5 - DISCONTINUED OPERATIONS

On June 30, 2004, the Company's CEO entered into an agreement to sell 1,260 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. All assets were associated with the discontinued operations as well as all of the liabilities except for \$247,546 which was associated with Advanced.

F-9

GLOBAL RESOURCE CORPORATION (A Development Stage Company)

Notes to the Financial Statements December 31, 2005

NOTE 5 - DISCONTINUED OPERATIONS (CONTINUED)

The net loss from discontinued operations for the three months ended June 30, 2004 are the operations of NutraTek for the three months ended March 31, 2004 because the spin off of NutraTek took place three months after Advanced Healthcare Technologies, Inc.'s year end and NutraTek had a December 31 year end, therefore three months after NutraTek's year end would be March 31, 2004.

	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	127,176 -----
LOSS FROM OPERATIONS	(115,935) -----
OTHER EXPENSE	

Edgar Filing: Global Resource CORP - Form 10QSB/A

Interest expense	(1,011)

Total Other Expense	(1,011)

NET LOSS	\$ (116,946)
	=====
BASIC LOSS PER SHARE	\$ (4.87)
	=====
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	24,000
	=====

F-10

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)

Notes to the Financial Statements
December 31, 2005

NOTE 6 - INVESTMENTS

During the year the Company held a 50% investment in Well Renewal, LLC (Well Renewal). The Company paid \$150,000 for a 50% controlling interest in Well Renewal on January 11, 2005. The business plan of Well Renewal was to obtain revenues via the management and operation of thirty oil wells located in Oklahoma.

On December 15, 2005 Company entered into an agreement with Transnix Global Corporation (Transnix) to exchange their 50% interest in Well Renewal in partial satisfaction of certain debentures issued by Global Resource Corporation. Prior to the execution of the agreement the Company's outstanding debentures totaled \$137,900 plus accrued interest and the investment in Well Renewal was on the Company's books, valued at \$35,555. The agreement stated that the payment amount would be equal to the value of the investment on the Company's books at the date of the agreement, therefore the Company gave Transnix their ownership rights in Well Renewal and credited their investment account for \$35,555, resulting in a December 31, 2005 investment balance of \$0, and debited their convertible debentures liability for \$35,555, resulting in a December 31, 2005 Debenture balance of \$102,345.

NOTE 7 - MATERIAL EVENTS

On June 17, 2005 Jimmy Villalobos resigned as president of the Company.

On December 15, 2005, after a thorough review of the costs and potential regulatory requirements of complying with the Investment Company Act of 1940, the Board of Directors of the Company approved the Companies election to withdraw its election to be subject to sections 55 through 65 of the Investment Company Act of 1940, pursuant to the provisions of section 54(c) of the Act. As such, and with the transfer of the Well Renewal, LLC interest, the Company has become a Development Stage Company. Although the company became a Development Stage Company on December 15, 2005, the Company will disclose the from inception columns on the Statement of Operations and on the Cash Flow Statement as though it took place on December 31, 2005.

Edgar Filing: Global Resource CORP - Form 10QSB/A

NOTE 8 - COMMITMENTS AND CONTINGENCIES

From September 27, 2004 through December 6, 2004, the Company issued approximately 48,150 shares of common stock (the "Shares") upon conversion of certain outstanding convertible debentures. The Company did not register the Shares under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on various exemptions from registration, including, but not limited to, Section 3(b) of the Securities Act and Regulation E promulgated thereunder.

On June 17, 2005, the Division of Investment Management (the "Division") at the Securities & Exchange Commission (the "SEC") has advised Global Resource that it is the view of the Division that the Company cannot rely on the exemption afforded by Regulation E and that it is unaware of any other exemptions from registration for the issuance of the Shares. The Division also advised the Company that, in the view of the Division, it appears that the issuance of the Shares violated Section 5 of the Securities Act. The Company has advised the Division that it is the Company's view that the issuance of the Shares was exempt from registration under the Securities Act under various available exemptions, including, but not limited to, Regulation E, and that the issuance of the Shares did not violate Section 5 of the Act.

NOTE 9 - RELATED PARTY TRANSACTIONS

During the quarter ended June 30, 2005, a shareholder of the Company maintained office space and provided services that resulted in rent expense of \$500 and payroll expense of \$5,000. Both of these amounts were contributed to capital.

F-11

GLOBAL RESOURCE CORPORATION
(A Development Stage Company)

Notes to the Financial Statements
December 31, 2005

NOTE 9 - RELATED PARTY TRANSACTIONS (CONTINUED)

During the quarters ended September 30, 2005 and December 31, 2005, shareholders of the company maintained office space and provided services that resulted in rent expense of \$1,000 and payroll expense of \$40,000. Both of these amounts were recorded as accrued liabilities in the Accrued Liabilities - Related Party balance and in the Wages Payable balance, respectively.

NOTE 10 - SUBSEQUENT EVENTS

On June 7, 2006 an unrelated third party purchased the convertible debenture owned by Transnix Corporation. As of the date of purchase, the principal amount due on the debenture was \$102,345 and the accrued but unpaid interest was \$16,274. Subsequent to June 30, 2006, under the terms of the purchase agreement, Transnix used a substantial part of the proceeds received from the debenture purchaser in the payment of the liabilities of the Company, other than the principal and interest related to the debenture and an accounts payable balance. Accordingly, as of July 11, 2006, the Company has no liabilities other than the debenture and an accounts payable balance. In conjunction with the purchase of the Transnix debenture, a change in control of the Company occurred. The then directors and the then sole officer of the Company resigned, appointing Mary Radomsky as the sole director and the sole officer.

Edgar Filing: Global Resource CORP - Form 10QSB/A

On July 31, 2006, the Board of Directors of the Company declared a 100 to 1 reverse stock split of the Company's common stock. The reverse stock split is effective as of the close of trading on Friday, August 11, 2006.

F-12

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.

CHANGE OF CONTROL

On June 30, 2004, Richard Mangiarelli purchased 1,260 shares of Global Resource common stock from its former President, Chief Executive Officer, Director, and majority stockholder, Johnny Sanchez. As a result, Mr. Mangiarelli then held approximately 52.5% of the issued and outstanding common stock of Global Resource.

In connection with this change in control, Mr. Sanchez resigned as our President and Chief Executive Officer, Joel Rockwood resigned as our Vice President and Chief Scientific Officer, and Michael MacArthur resigned as our 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 Global Resource. The outgoing directors appointed Richard Mangiarelli to fill the vacancies on the board.

On June 30, 2004, we entered into a Release and Indemnity Agreement with Johnny Sanchez, our former President, Chief Executive Officer, Director, and majority stockholder, pursuant to which we sold all of our membership interest in NutraTek to Mr. Sanchez in exchange for Mr. Sanchez's agreement to do the following: (a) release us from any and all claims that Mr. Sanchez may have had against us; (b) indemnify us for any and all claims against or liabilities of Global Resource that existed before June 30, 2004, and (c) to cooperate with and assist Global Resource 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 us in order to carry out the intent of the agreement.

Immediately after the spin-off of NutraTek, Global Resource had no operations. Before the change of control described above, Global Resource's principal

Edgar Filing: Global Resource CORP - Form 10QSB/A

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 sweeteners.

Global Resource's new management decided to terminate the nutritional products business and elected to become a business development company. As a business development company, Global Resource focused on making investments in securities, and making available significant managerial assistance with respect to the issuers of such securities. Since becoming a business development company, we made one investment in Well Renewal LLC. Well Renewal manages and operates oil wells in Oklahoma by utilizing a nitrogen and carbon dioxide gas injection unit to "pump up" and re-pressure the wells to increase oil output. At September 30, 2005, our investment in Well Renewal, valued at approximately \$35,555, with a cost of \$150,000, consisted of the purchase of a 50% interest in Well Renewal LLC.

On November 18, 2005 we entered into a pledge agreement (the "Pledge Agreement") with Transix Global Corporation ("Transnix") pursuant to which we pledged our 50% membership interest in Well Renewal, LLC (the "Membership Interest") in order to prevent Transnix from commencing legal action against us for repayment of those certain 8% convertible debentures issued by us to Transnix (the "Debentures") and to provide Transnix with additional security for repayment of the Debentures. We subsequently defaulted on payment of the Debentures.

3

On December 15, 2005, we entered into an agreement with Transnix (the "Collateral Foreclosure Agreement") pursuant to which (i) Transnix, pursuant to the terms of the Pledge Agreement, accepted the Membership Interests (the collateral under the Pledge Agreement) in satisfaction of \$35,555 of principal and interest obligations secured under the Debentures and (ii) we raised no objection to Transnix accepting the Membership Interest in satisfaction of \$35,555 of principal and interest obligations under the Debentures and waived any and all notice periods under the Uniform Commercial Code.

On December 15, 2005, after a thorough review of the costs and potential regulatory requirements of complying with the Investment Company Act of 1940, the Board of Directors of the Company approved "Notification of Withdrawal" on Form n-54C with the Securities and Exchange Commission to withdraw our election to be subject to sections 55 through 65 of the Investment Company Act of 1940. On December 19, 2005, our "Notification of Withdrawal" on Form n-54C was filed with the Securities and Exchange Commission. As such, and with the transfer of the Well Renewal, LLC interest described above, we became a Development Stage Company.

Although we became a Development Stage Company on December 15, 2005, we will disclose the from inception columns on the Statement of Operations and the Statement of Cash Flows as though it took place on December 31, 2005. We were unable to attract sufficient investment capital as a Business Development Company (BDC) to execute our strategy of acquiring and developing companies. We believe we are now better able to address its capital structure since we are no longer subject to the BDC Provisions.

The election to withdraw the Company as a BDC under the Investment Company Act has resulted in a significant change in our required method of accounting. BDC financial statement presentation and accounting utilizes the value method of accounting used by investment companies, which allows BDC's to recognize income and value their investments at market value as opposed to historical cost. As a

Edgar Filing: Global Resource CORP - Form 10QSB/A

development stage company, the required financial statement presentation and accounting for securities held will be either fair value or historical cost methods of accounting, depending on the classification of the investment and our intent with respect to the period of time we intend to hold the investment.

As an operating company, we must consolidate our financial statements with subsidiaries, thus eliminating the portfolio company reporting benefits available to BDC's.

LIQUIDITY AND CAPITAL RESOURCES

We currently have limited working capital with which to satisfy our cash requirements, and we will require additional capital in order to conduct operations. We anticipate that we will require 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 working capital, from October, 2004 to January, 2005, we issued convertible debentures in the aggregate principal amount of \$155,000 in a private placement. The notes are due approximately five (5) months after issuance and bear interest at a rate of eight percent (8%). The notes are convertible into shares of our common stock, at the option of either us or the holder of the note, at a floating conversion price of fifty percent (50%) of the closing bid price per share on the day of conversion, or at the lowest price allowable as set by us in an effective registration statement or exemption notification as filed with the Securities and Exchange Commission. We are obligated to register the resale of the shares of common stock issuable upon conversion of the debenture under the Securities Act of 1933, as amended, or to otherwise provide an acceptable exemption to registration under Regulation E of the Securities Act of 1933, as amended.

In addition, in September 2004, we commenced an offering of our common stock pursuant to Regulation E of the Securities Act of 1933, as amended. Pursuant to this offering, we have sold 12,200 shares of common stock for \$12,200, and holders of the debentures referenced above have converted, in the aggregate, approximately \$17,100 of principal and interest due thereunder into 360 shares of our common stock. Since that time, the issuance of a convertible debenture in the principal amount of \$25,000 to Javelin Holdings for services rendered has been rescinded by mutual agreement between us and Javelin Holdings. Separate from the convertible debenture, 1,750 shares were issued for consulting expenses of \$875.

4

In January 2005, we amended this offering to reduce the range of the price per share of the offering. The Division of Investment Management of the Securities and Exchange Commission ("SEC") has delivered comments to Global Resource regarding this amended offering, and Global Resource is currently working with the Division of Investment Management to address these comments. We will not issue any shares in reliance on Regulation E until all comments from the SEC are resolved. This offering may not provide Global Resources with the capital necessary to fund its operations. In the interim, we will continue to seek additional forms of capital and our management may provide additional financing as required.

On December 15, 2005, pursuant to the terms of the Collateral Foreclosure Agreement, we exchanged our Membership Interests in Well Renewal LLC in partial satisfaction of the Debentures issued by us. Our debentures totaled \$137,900

Edgar Filing: Global Resource CORP - Form 10QSB/A

plus accrued interest. The transfer of the investment in Well Renewal, LLC was made at its book value of \$35,555. The remaining balance of the convertible debenture is \$102,345 plus accrued interest. As of December 31, 2005, we no longer hold any interest in Well Renewal LLC.

OFF BALANCE SHEET ARRANGEMENTS

We do 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 Global Resource Corporation 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 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.

PART II: OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

From September 27, 2004 through December 6, 2004, we issued approximately 48,150 shares of common stock, of which 12,200 were issued for cash and 35,950 were issued upon conversion of certain outstanding convertible debentures. We did not register these shares under the Securities Act of 1933, as amended, in reliance on various exemptions from registration, including, but not limited to, Section 3(b) of the Securities Act and Regulation E promulgated thereunder.

Since that time, the issuance of a convertible debenture in the principal amount of \$25,000 to Javelin Holdings for services rendered has been rescinded by mutual agreement between us and Javelin Holdings. Separate from the convertible debenture, 1,750 shares were issued for consulting expenses of \$875.

On June 17, 2005, the Division of Investment Management at the Securities & Exchange Commission advised us that it is the view of the Division that we cannot rely on the exemption afforded by Regulation E and that it is unaware of any other exemptions from registration for the issuance of the Shares. The Division also advised us that, in the view of the Division, it appears that the issuance of the Shares violated Section 5 of the Securities Act. We advised the

Edgar Filing: Global Resource CORP - Form 10QSB/A

Division that it is our view that the issuance of the Shares was exempt from registration under the Securities Act under various available exemptions, including, but not limited to, Regulation E, and that the issuance of the Shares did not violate Section 5 of the Act.

At this time, neither the SEC nor any private party has commenced any action against us alleging that we issued the shares in violation of Section 5 of the Securities Act. Further, the SEC has not, to our knowledge, commenced any formal or informal inquiry with respect to its contention that the shares were issued in violation of Section 5 of the Securities Act. In the event that any such action or inquiry is commenced, we intend to defend against such allegations vigorously.

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3 - DEFAULT UPON SENIOR SECURITIES

(a) On November 18, 2005 we entered into a pledge agreement (the "Pledge Agreement") with Transix Global Corporation ("Transnix") pursuant to which we pledged our 50% membership interest in Well Renewal, LLC (the "Membership Interest") in order to prevent Transnix from commencing legal action against us for repayment of those certain 8% convertible debentures issued by us to Transnix (the "Debentures") and to provide Transnix with additional security for repayment of the Debentures. We subsequently defaulted on payment of the Debentures.

On December 15, 2005, we entered into an agreement with Transnix (the "Collateral Foreclosure Agreement") pursuant to which (i) Transnix, pursuant to the terms of the Pledge Agreement, accepted the Membership Interests (the collateral under the Pledge Agreement) in satisfaction of \$35,555 of principal and interest obligations secured under the Debentures and (ii) we raised no objection to Transnix accepting the Membership Interest in satisfaction of \$35,555 of principal and interest obligations under the Debentures and waived any and all notice periods under the Uniform Commercial Code.

Prior to our exchange of our Membership Interest, the Debentures totaled \$137,900 plus accrued interest. The remaining balance of the Debentures held by Transnix is \$102,345 plus accrued interest.

(b) None.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5 - OTHER INFORMATION

(a)

1. Pledge Agreement. On November 18, 2005 we entered into a pledge agreement (the "Pledge Agreement") with Transix Global Corporation ("Transnix") pursuant to which we pledged our 50% membership interest in Well Renewal, LLC (the "Membership Interest") in order to prevent Transnix from commencing legal action against us for repayment of those certain 8% convertible debentures issued by us to Transnix (the "Debentures") and to provide Transnix with additional security for repayment of the Debentures.

Edgar Filing: Global Resource CORP - Form 10QSB/A

2. Collateral Foreclosure Agreement. On December 15, 2005, we entered into an agreement with Transnix (the "Collateral Foreclosure Agreement") pursuant to which (i) Transnix, pursuant to the terms of the Pledge Agreement, accepted the Membership Interests (the collateral under the Pledge Agreement) in satisfaction of \$35,555 of principal and interest obligations secured under the Debentures and (ii) we raised no objection to Transnix accepting the Membership Interest in satisfaction of \$35,555 of principal and interest obligations under the Debentures and waived any and all notice periods under the Uniform Commercial Code.

3. On December 19, 2005, we filed a "Notification of Withdrawal" on Form n-54C with the Securities and Exchange Commission to withdraw our election to be subject to sections 55 through 65 of the Investment Company Act of 1940. This withdrawal of election was approved by our Board of Directors.

(b) None.

ITEM 6 - EXHIBITS

Item No. -----	Description -----	Method of -----
10.1	Pledge Agreement, dated November 18, 2005 between Global Resource Corporation and Transnix Global Corporation.	Filed elec
10.2	Agreement, dated December 15, 2005 bewteen Global Resource Corporation and Transnix Global Corporation.	Filed elec
31.1	Certification of Frank G. Pringle pursuant to Rule 13a-14(a)	Filed elec
31.2	Certification of Jeffrey J. Andrews pursuant to Rule 13a-14(a)	Filed elec
32.1	President and Chief Executive Officer Certification pursuant to 18 U.S.C. ss. 1350 adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002	Filed elec
32.1	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 elec

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.

GLOBAL RESOURCE CORPORATION

October 31, 2006

/s/ Frank G. Pringle

Frank G. Pringle
President and Chief Executive Officer

Edgar Filing: Global Resource CORP - Form 10QSB/A

(Principal Executive Officer)