

TANKLESS SYSTEMS WORLDWIDE INC
Form 8-K/A
February 20, 2004

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): November 4, 2003

COMMISSION FILE NUMBER: 000-27549

TANKLESS SYSTEMS WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of
incorporation or organization)

88-0362112

(I.R.S. Employer Identification No.)

7650 E. Evans Road, Suite C, Scottsdale, AZ

(Address of principal executive offices)

85260

(Zip Code)

Registrant's telephone number: (480) 609-7575

2920 E. Camelback Rd., Suite 150, Phoenix, Arizona 85016

(Former name or former address if changed since last report)

This report is amended to furnish the required financial statements.

ITEM 1. Changes in control of Registrant.

a)

On November 7, 2003, 8,366,778 shares of restricted common stock of the Registrant were issued to the shareholders of Envirotech Systems Worldwide, Inc. (ESW) in exchange for all of the issued and outstanding shares of ESW, pursuant to the provisions of the Agreement of Share Exchange and Plan of Reorganization dated November 4, 2003 by and between Tankless Systems Worldwide, Inc. and ESW which Agreement is filed as an exhibit to this Registrant's 8-K. As a result of closing pursuant to the Acquisition Agreement, and the issuance of such shares, ESW has become a wholly-owned subsidiary of the Registrant and former ESW shareholders now own approximately 74% of Registrant's issued and outstanding shares.

b)

There are no arrangements known to the Registrant, including any pledge by any person, of securities of the Registrant, the operation of which may, at a subsequent date, result in a change in control of Registrant.

ITEM 7. Financial Statements and Exhibits

a)

The audited financial statements of Envirotech Systems Worldwide, Inc. for the period ended November 7, 2003 and the years ended December 31, 2002 and 2001 appear on pages F-1 to F-13 of this amended report

b)

Exhibits

Exhibit Description

2.1 Agreement of Share Exchange and Plan of Reorganization dated November 4, 2003*

* Previously filed

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this amended report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 20, 2004

TANKLESS SYSTEMS WORLDWIDE, INC.

By: /s/ Thomas Kreitzer

Name: Thomas Kreitzer

Title: Interim Chief Executive Officer

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors and Audit Committee

Envirotech Systems Worldwide, Inc.

I have audited the accompanying balance sheets of Envirotech Systems Worldwide, Inc. as of November 7, 2003, December 31, 2002 and 2001 and the related statements of operations, stockholders' equity, and cash flows for the period ended November 7, 2003 and the years ended December 31, 2002, and 2001. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Envirotech Systems Worldwide, Inc., as of November 7, 2003, and December 31, 2002 and 2001 and the related statements of operations, stockholders' equity, and cash flows for the period ended November 7, 2003 and the years ended December 31, 2002, and 2001 are in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has experienced losses since inception. This factor raises substantial doubt about the Company's ability to continue as a going concern. This factor and others are detailed in Note 7 along with management's plans for the Company. The financial statements do not include any adjustments that might result from this uncertainty.

/s/ Shelley International CPA

Shelley International CPA

February 18, 2004

Mesa Arizona

ENVIROTECH SYSTEMS WORLDWIDE, INC.**BALANCE SHEETS****ASSETS**

	November 7, 2003	December 31, 2002	December 31, 2001
CURRENT ASSETS			
Cash	\$ 10,086	\$ 99,737	\$ 31,966
Accounts Receivable, Net	55,946	40,316	4,362
Inventory at Cost	110,087	106,310	176,027
Prepaid Expenses	278	2,824	
Total Current Assets	176,397	249,187	212,355
EQUIPMENT, NET	84,775	114,503	137,178
OTHER ASSETS			
Patents and Software, Net	67,728	93,319	118,908
Deposits		1,866	1,866
Total Other Assets	67,728	95,185	120,774
Total Assets	\$ 328,900	\$ 458,875	\$ 470,307

LIABILITIES AND STOCKHOLDERS' EQUITY**LIABILITIES**

Accounts Payable	\$ 649,294	\$ 397,100	\$ 409,730
Other Payables	-	-	729
Notes Payable	759,954	543,200	322,793
Customer Deposits	45,313		
Total Current Liabilities	1,454,561	940,300	733,252

Long Term Debt			3,615
Total Liabilities	1,454,561	940,300	736,867

STOCKHOLDERS' EQUITY

Common Stock authorized is 10,000,000 shares with no par value.			
Issued and outstanding on November 7, 2003 is 8,366,378 shares, December 31, 2002 is 7,931,484 shares, and December 31, 2001 is 1,764,733 shares.	2,917,911	1,949,551	1,764,733
Warrants		75,000	75,000
Retained Earnings (Loss)	(4,043,572)	(2,505,976)	(2,106,293)
Total Stockholders' Equity	(1,125,661)	(481,425)	(266,560)
Total Liabilities and Stockholders' Equity	\$ 328,900	\$ 458,875	\$ 470,307

The accompanying notes are an integral part of these statements.

F-2

ENVIROTECH SYSTEMS WORLDWIDE, INC.
STATEMENTS OF OPERATIONS

	Period Ended November 7, 2003	Year Ended December 31, 2002	Year Ended December 31, 2001
INCOME			
Product Sales	\$ 1,035,488	\$ 762,674	\$ 374,439

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Distributorship Sales			242,971
Total Revenue	1,035,488	762,674	617,410
Less Cost of Goods Sold	681,192	554,667	270,960
Gross Profit	354,296	208,007	346,450
EXPENSES			
Legal and Professional	355,505	266,866	333,528
Research and Development	131,301	4,389	292,488
Settlement Expenses	489,658		
General and Administrative	473,787		
Advertising	172,869		
Salaries and Wages	179,648	113,869	-
Depreciation	32,953	29,615	29,045
Amortization	25,590	27,258	12,975
Interest Expense	105,581	165,693	23,861
Total Expenses	1,966,892	607,690	691,897
Net (Loss) before Income Taxes	(1,612,596)	(399,683)	(345,447)
Provision for Income Taxes	-	-	-
NET (LOSS)	\$(1,612,596)	\$ (399,683)	\$ (345,447)
Net (Loss) per Common Share	(0.18)	(0.05)	(0.05)
Weighted Average Number of Common Shares Outstanding	8,795,263	7,572,232	7,421,247

The accompanying notes are an integral part of these statements.

STATEMENT OF STOCKHOLDERS EQUITY

for the period December 31, 1999 to November 7, 2003

Price Per Share	Common Stock Shares	Common Stock Amount	Offering Costs	Warrants	Accumulated (Loss)	Total Equity
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