

Edgar Filing: Integrated Media Holdings, Inc. - Form 10-Q

Integrated Media Holdings, Inc.  
Form 10-Q  
August 22, 2006  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-QSB

(Mark One)

- Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended June 30, 2006  
 Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act

Commission File Number 33-119586

INTEGRATED MEDIA HOLDINGS, INC.

(Exact Name of Small Business Issuer as Specified in Its Charter)

Delaware

76-0600966

(State or Other Jurisdiction of Incorporation or Organization)

(IRS Employer Identification No.)

10 Glenlake Parkway, Suite 130

30238

Atlanta, Georgia

(Zip Code)

(Address of Principal Executive Offices)

(678) 222-3445

(Issuer's Telephone Number, Including Area Code)

Endavo Media and Communications, Inc.

(Former Name)

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

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**APPLICABLE ONLY TO CORPORATE ISSUERS**

The number of shares of the issuer's common equity outstanding as of August 15, 2006 was 0,239,965 shares of common stock, par value \$.001.

Transitional Small Business Disclosure Format: Yes  No

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FOR THE QUARTER ENDED JUNE 30, 2006

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**PART I FINANCIAL INFORMATION**

## ITEM 1. FINANCIAL STATEMENTS

INTEGRATED MEDIA HOLDINGS, INC.

(formerly ENDAVO MEDIA AND COMMUNICATIONS, INC.)

CONDENSED CONSOLIDATED UNAUDITED BALANCE SHEET

as of June 30, 2006

**Assets**

Current assets:

Cash	\$ 66,228
Accounts receivable, net of allowance for doubtful accounts	
of \$473	19,615
Deposits	16,214
Total current assets	102,057
Property and equipment, net	258,472
Assets held for sale	44,746
Total Assets	\$ 405,275

**Liabilities and Stockholders Deficit**

Current liabilities:

Accounts payable	\$ 813,987
Accrued liabilities	1,112,122
Notes payable including related parties	930,977
Total current liabilities	2,857,086

Stockholders deficit:

Preferred stock, \$.001 par value; 1,000,000 shares authorized, 3,821,197 shares issued and outstanding	3,821
Common stock, \$.001 par value, voting, 100,000,000 shares authorized, 6,659,640 shares issued and outstanding	6,660
Additional paid-in capital	20,583,736
Accumulated deficit	(23,046,028)
Total stockholders deficit:	(2,451,811)

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Total liabilities and stockholders' deficit	\$ 405,275
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See accompanying notes to condensed consolidated financial statements.

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INTEGRATED MEDIA HOLDINGS, INC.

(formerly ENDAVO MEDIA AND COMMUNICATIONS, INC.)

CONDENSED CONSOLIDATED UNAUDITED STATEMENTS OF OPERATIONS

for the three and six months ended June 30,

	<b>Three Months</b>		<b>Six Months</b>	
	<b><u>Ended June 30,</u></b>		<b><u>Ended June 30,</u></b>	
	2006	2005	2006	2005
Total revenues	\$ 25,715	\$ 44,664	\$ 26,710	\$ 97,252
Cost of sales	(6,796)	(52,666)	(19,826)	(93,265)
Reversal of variable stock options expense	0	600,000	0	453,000
Selling, general, and administrative expense	(817,037)	(985,287)	(1,464,295)	(2,456,252)
Loss from operations	(798,118)	(393,289)	(1,457,411)	(1,999,265)
Other income	24,433	13,045	41,213	13,914
Interest expense	(231,900)	(251,201)	(471,219)	(552,593)
Net loss	(1,005,585)	(631,445)	\$ (1,887,417)	\$ (2,537,944)
Imputed preferred stock dividend	(1,891,493)	(1,891,493)	(3,782,986)	(3,782,986)
Net loss attributable to common shareholders	\$ (2,897,078)	\$ (2,522,938)	\$ (5,670,403)	\$ (6,320,930)
Net loss per common share - basic and diluted	\$ (0.47)	\$ (9.48)	\$ (1.39)	\$ (24.76)
Weighted average shares - basic and diluted	6,211,618	266,071	4,079,830	255,261

See accompanying notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED UNAUDITED STATEMENTS OF CASHFLOWS

for the six months ended June 30,

	2006	2005
<b>Cash flows from operating activities:</b>		
Net loss	\$(1,887,417)	\$(2,537,944)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	43,137	35,984
Stock and options issued for services	965,100	(347,294)
Amortization of deferred compensation	-	687,749
Amortization of unearned revenue	-	(26,679)
Amortization of discount on long-term debt	355,274	291,305
Gains on settlements	(32,598)	(9,300)
Decrease (increase) in:		
Accounts receivable	(19,615)	(802)
Deposits and prepaid expenses	-	(28,214)
Increase (decrease) in:		
Accounts payable	(35,958)	53,956
Accrued liabilities	226,068	63,026
Net cash used in operating activities	(386,009)	(1,818,213)
<b>Cash flows used in investing activities-</b>		
Purchase of property and equipment	(4,221)	(216,971)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of common stock	365,000	656,638
Proceeds from issuance of notes payable	86,000	-
Proceeds on convertible short-term debt	-	1,425,000
Payments on note payable	-	(2,198)
Payments on related party note	-	(5,825)
Payments on convertible long-term debt	-	(41,442)
Net cash provided by financing activities	451,000	2,032,173
Net increase (decrease) in cash and cash equivalents	60,770	(3,011)
Cash and cash equivalents at beginning of period	5,458	373
Cash and cash equivalents at end of period	\$ 66,228	\$ (2,638)

See accompanying notes to condensed consolidated financial statements.



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## NOTES TO THE CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

for the six months ended June 30, 2006

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Principles of Consolidation.* The financial statements reflect the consolidated results of Integrated Media Holdings, Inc. and its wholly owned subsidiaries Endavo Media and Communications, Inc. (formerly Susquima, Inc.) and New Planet Resources, Inc. (non-operating) All material inter-company transactions have been eliminated in the consolidation.

*Reverse Stock Split.* In the first quarter of 2006, the Company completed a reverse stock split whereby the shareholders received 1 share of stock for every 40 that were previously owned. All share and per share amounts in prior periods have been restated to reflect the reverse stock split.

*Basis of Presentation.* The accompanying condensed consolidated financial statements are unaudited. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. Integrated Media Holdings, Inc., (the Company ) believes that the following disclosures are adequate to make the information presented not misleading.

These condensed financial statements reflect all adjustments (consisting only of normal recurring adjustments) that, in the opinion of management, are necessary to present fairly the financial position and results of operations for the periods presented.

Interim results are not necessarily indicative of the operating results to be expected for the full year. These financial statements should be read in conjunction with the company's financial statements and notes thereto for the year ended December 31, 2005 included in the Company's Annual Report on Form 10-KSB.

*Net Loss Per Common Share.* Basic earnings per share are computed on the basis of the weighted average number of common shares outstanding. Diluted earnings per share are computed on the basis of the weighted average number of common shares outstanding plus the effect of outstanding stock options using the treasury stock method. The earnings per common share for the three and six months ended June 30, 2006 and 2005 have been adjusted to give retroactive effect to the one-for-forty reverse stock split effective March 13, 2006 as if the reverse stock split had occurred on January 1, 2005. Options, warrants, convertible debt and convertible preferred stock, of which if exercised or converted would require the company to issue approximately 40,068,314 shares of common stock, are not included in the diluted earnings per share calculation for June 30, 2006 and 2005, respectively, since their effect on a net loss per share calculation is anti-dilutive.