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VOIP INC
Form 8-K/A
November 19, 2004

UNITED STATES
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): September 16, 2004

VOIP, INC.

(Exact name of registrant as specified in its charter)

| | | |
|--------------------------|-----------------------|--------------------------------------|
| Texas | 000-28985 | 75-2785941 |
| ----- | ----- | ----- |
| (State of Incorporation) | (Commission File No.) | (IRS Employer Identification No.) |

12330 SW 53rd Street, Suite 712, Ft. Lauderdale, Florida 33330

(Address of principal executive offices, including zip code)

(954) 434-2000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.01 Completion of Acquisition or Disposition of Assets

Registrant filed a Form 8K on September 16, 2004, describing in Items 1 and 2 a material acquisition and resulting change of control. Pursuant to Item 9.01(a)(4) of Form 8-K, financial statements of the acquired businesses and financial statements are being filed by amendment hereby. This Amendment should be read in conjunction with the Form 8-K filed on September 13, 2004.

Item 9.01. Financial Statements and Exhibits

INDEX TO FINANCIAL STATEMENTS

VOX CONSULTING GROUP, INC.

VOX CONSULTING GROUP, INC.
d/b/a VOIP AMERICAS
FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT
DECEMBER 31, 2003 AND 2002

(With Independent Auditors' Report Thereon)

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IDA C. OVIES, CPA, PA
2307 DOUGLAS RD, STE 400
MIAMI, FL 33145

AUDITORS' REPORT

Board of Directors and Stockholders
Vox Consulting Group, Inc.
Miami, Florida

We have audited the accompanying balance sheet of Vox Consulting Group, Inc. as of December 31, 2003 and 2002, and the related statement of revenue and expenses and accumulated deficit, and cash flows for the years then ended. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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. We believe that our audit provides reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Vox Consulting Group, Inc. as of December 31, 2003 and 2002, and the results of operations and cash flows for the years then ended, in conformity with generally accepted accounting principles.

/s/ Ida C. Ovies

Ida C. Ovies, CPA, PA
November 12, 2004

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VOX CONSULTING GROUP, INC.
BALANCE SHEET
DECEMBER 31,

| | 2003 | 2002 |
|---|------------|-----------|
| ASSETS | | |
| Current Assets | | |
| Cash in banks | \$ 13,533 | \$ 5,699 |
| Accounts receivable | 49,911 | -- |
| | ----- | ----- |
| | 63,444 | 5,699 |
| | ----- | ----- |
| Property and Equipment, net of accumulated depreciation of \$18,015 and \$4,277 in 2003 and 2002 respectively | 70,412 | 35,505 |
| | ----- | ----- |
| Other Assets | | |
| Deposits | 1,150 | 3,000 |
| | ----- | ----- |
| | 1,150 | 3,000 |
| | ----- | ----- |
| | \$ 135,006 | \$ 44,204 |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDER'S DEFICIT | | |
| Current Liabilities | | |
| Accounts payable and accrued expenses | \$ 111,442 | \$ 12,202 |
| Customer deposits | 48,000 | -- |
| | ----- | ----- |
| | 159,442 | 12,202 |
| | ----- | ----- |
| Stockholder's Deficit | | |
| Common stock, 100 shares authorized, issued and outstanding, \$1 par value | 100 | 100 |
| Paid in capital | 79,138 | 88,751 |
| Accumulated deficit | (103,674) | (56,849) |
| | ----- | ----- |
| | (24,436) | 32,002 |
| | ----- | ----- |
| | \$ 135,006 | \$ 44,204 |
| | ===== | ===== |

VOX CONSULTING GROUP, INC.
 STATEMENT OF REVENUES AND EXPENSES
 AND ACCUMULATED DEFICIT
 FOR THE YEARS ENDED DECEMBER 31,

| | 2003 | 2002 |
|--------------------------------|--------------|-------------|
| Revenues | | |
| Telecommunication services | \$ 394,651 | \$ 31,514 |
| Cost of Sales | 360,775 | 52,751 |
| | ----- | ----- |
| Gross Margin | 33,876 | (21,237) |
| | ----- | ----- |
| Expenses | | |
| General and administrative | 66,962 | 31,335 |
| Depreciation | 13,739 | 4,277 |
| | ----- | ----- |
| | 80,701 | 35,612 |
| | ----- | ----- |
| Net Loss | (46,825) | (56,849) |
| | ----- | ----- |
| Accumulated Deficit, beginning | (56,849) | 0 |
| | ----- | ----- |
| Accumulated Deficit, ending | \$ (103,674) | \$ (56,849) |
| | ===== | ===== |

VOX CONSULTING GROUP, INC.
 STATEMENT OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 31,

| | 2003 | 2002 |
|---------------------------------------|------|------|
| Cash flows from operating activities: | | |

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| | | |
|--|-------------|-------------|
| Net Loss | \$ (46,825) | \$ (56,849) |
| Adjustments to reconcile net income to cash provided (used in) operating activities: | | |
| Depreciation | 13,739 | 4,277 |
| Changes in current assets and liabilities: | | |
| (Increase) decrease in: | | |
| Accounts receivable trade | (49,911) | -- |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | 99,240 | 12,202 |
| Customer deposits | 48,000 | -- |
| Deposits | 1,850 | (3,000) |
| | ----- | ----- |
| Cash provided (used) by operating activities | 66,093 | (43,370) |
| | ----- | ----- |
| Cash flows from investing activities: | | |
| Acquisition of property and equipment | (48,646) | (39,782) |
| | ----- | ----- |
| Cash used by investing activities | (48,646) | (39,782) |
| | ----- | ----- |
| Cash flows from financing activities: | | |
| Shareholder (distributions) contributions | (9,613) | 88,851 |
| | ----- | ----- |
| Cash provided (used) by financing activities | (9,613) | 88,851 |
| | ----- | ----- |
| Net increase in cash and cash equivalents | 7,834 | 5,699 |
| Cash and cash equivalents, beginning | 5,699 | -- |
| | ----- | ----- |
| Cash and cash equivalents, ending | \$ 13,533 | \$ 5,699 |
| | ===== | ===== |

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VOX CONSULTING GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

Vox Consulting Group, Inc. is a Florida Corporation organized in 2002. The Company is a full service, wholesale Internet Telephony Service Provider enabling emerging carriers, Internet Service Providers (ISP's), Independent Telephone Company (ITC's), Cable Operators and Competitive Local Exchange Carriers (CLEC's) to quickly and efficiently launch advanced VoIP services to their customer base. Its services include wholesale-VoIP for U.S. and International termination; VoIP-800 and VoIP-did for access; and turnkey-VoIP, a full featured hosted platform providing the most popular residential and small business VoIP services.

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BASIS OF PRESENTATION

Use of Estimates

The financial statements have been prepared in accordance with generally accepted accounting principles. Such financial statements include estimates and assumptions that affect the reported amounts of assets, liabilities and the amount of revenue and expenses. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statement of cash flows, the Company considers cash in bank accounts, certificate of deposits and investment instruments purchased with maturities of three months or less as cash and cash equivalents.

Property and Equipment

Property and equipment is stated at its original cost and depreciated under the accelerated method over its estimated useful life (five to seven years). The cost of maintaining and repairing property and equipment are charged to expense as incurred.

Revenue Recognition

Revenues are recognized when earned, as services are provided.

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VOX CONSULTING GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

Income Taxes

The Company, with the consent of its shareholders, has elected to be treated as an "S" Corporation, under the Internal Revenue Code. In lieu of paying corporate income taxes, the shareholders of an "S" Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, there is no provision or liability for income taxes reflected in the accompanying statements.

ACCOUNTS RECEIVABLE

The Company provides for doubtful accounts based on experience rates. No provision for bad debts was deemed necessary at December 31, 2003.

PROPERTY AND EQUIPMENT

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Property and equipment at December 31, 2003 and 2002 consisted of the following:

| | 2003 | 2002 |
|-------------------------------|-----------|-----------|
| Equipment | \$ 77,091 | \$ 28,446 |
| Software | 11,336 | 11,336 |
| | ----- | ----- |
| | 88,427 | 39,782 |
| Less accumulated depreciation | (18,015) | (4,277) |
| | ----- | ----- |
| | \$ 70,412 | \$ 35,505 |
| | ----- | ----- |

SUPPLEMENTAL CASH FLOWS INFORMATION

Cash paid for interest for the years ended December 31, 2003 and 2002 was \$2,409 and \$1,857 respectively. Cash paid for taxes for the years ended December 31, 2003 and 2002 was \$-0-.

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VOX CONSULTING GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

COMMITMENTS AND CONTINGENCIES

Leases

During the year 2003, the Company rented office space from a related party under a month to month operating lease. Rent expense under this lease for the year ended December 31, 2003 was \$5,000.

Service Agreement

The Company has a service agreement with an unrelated party for Co-Location services. The agreement is for a term of two years commencing on October of 2004, and calls for minimum service fees of \$2,150 a month. Minimum service fees payable under this contract for the next two years is as follows:

| | |
|------|-----------|
| 2005 | \$ 25,800 |
| 2006 | 19,350 |

Other Contingencies

The Company is subject to claims arising in the ordinary course of business. While complete assurance cannot be given as to the outcome of any legal claims, in the opinion of management, the outcome of these matters is not expected to have a material effect on the Company's financial position or results of operations.

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SUBSEQUENT EVENTS

On September 10, 2004, VoIP, Inc., a publicly traded Company, acquired 100% of the shares of the Company from its shareholders in exchange for 1,000,000 shares of VoIP, Inc.'s restricted common stock. VoIP, Inc. is a public Company with wholly owned subsidiaries that develop and distribute innovative technology, services and solutions for voice over Internet Protocol, wireless and multimedia applications.

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The following unaudited pro forma financial statements give effect to the acquisition by VoIP, Inc. of VOX Consulting Group, Inc., a Florida-based subsidiary, in a transaction to be accounted for using the purchase method of accounting. The unaudited pro forma balance sheet is based on the historical balance sheets of VoIP, Inc., and VOX Consulting Group, Inc. The unaudited pro forma statements of operations are based on the historical statement of operations of VoIP, Inc., and VOX Consulting Group, Inc., and combine the results of operations of VoIP, Inc., and VOX Consulting Group, Inc., for the twelve month period ended December 31, 2003 as if the acquisition occurred on January 01, 2003.

The unaudited pro forma information is presented for illustrative purposes only.

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VoIP Inc.
Unaudited Proforma Consolidated Balance Sheet
December 31, 2003

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| | VoIP Inc. | VOX Consulting Group | Proforma Adjustments (2) |
|---|-------------------|----------------------------|--------------------------------|
| | ----- | ----- | ----- |
| ASSETS | | | |
| Current Assets | | | |
| Cash on hand and in bank | \$ 3,499 | \$ 13,533 | \$ -- |
| Accounts receivable | -- | 49,911 | -- |
| Inventory, net of reserve | 251,534 | -- | -- |
| Prepaid expense | 4,425 | -- | -- |
| | ----- | ----- | ----- |
| Total Current Assets | 259,458 | 63,444 | -- |
| | ----- | ----- | ----- |
| Property and equipment, net | -- | 70,412 | -- |
| Other assets | -- | 1,150 | -- |
| | ----- | ----- | ----- |
| TOTAL ASSETS | \$ 259,458 | \$ 135,006 | \$ -- |
| | ===== | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Current liabilities | | | |
| Accounts payable and accrued expenses | \$ -- | \$ 111,442 | \$ -- |
| Amounts due to affiliates | 151,166 | -- | -- |
| Other current liabilities | -- | 48,000 | -- |
| | ----- | ----- | ----- |
| Total Liabilities | 151,166 | 159,442 | -- |
| | ----- | ----- | ----- |
| Commitments and contingencies | -- | -- | -- |
| Stockholders' equity | | | |
| Common stock - \$0.001 par value 14,230,939 and 1,730,939 issued and outstanding respectively | 1,731 | 100 | -- |
| Additional paid in capital | 731,208 | 79,138 | -- |
| Accumalitive deficit | (624,647) | (103,674) | 251,534 |
| | ----- | ----- | ----- |
| Total stockholders' equity | 108,292 | (24,436) | 251,534 |
| | ----- | ----- | ----- |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 259,458 | \$ 135,006 | \$ 251,534 |
| | ===== | ===== | ===== |

VoIP Inc.
Unaudited Proforma Consolidated Statement of Operations
Twelve months ended December 31, 2003

| | VoIP Inc. | VOX Consulting Group | Proforma Adjustments (2) |
|--|-----------|----------------------------|--------------------------------|
| | ----- | ----- | ----- |

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| | | | |
|----------------------------|--------------|-------------|------------|
| Revenues | \$ 8,678 | \$ 394,651 | \$ -- |
| Cost of Sales | 11,213 | 360,775 | -- |
| | ----- | ----- | ----- |
| Gross Profit | (2,535) | 33,876 | -- |
| Operating expenses | | | |
| General and administrative | 98,899 | 80,701 | -- |
| | ----- | ----- | ----- |
| Loss from operations | (101,434) | (46,825) | -- |
| Other expenses | (251,534) | -- | 251,534 |
| | ----- | ----- | ----- |
| Loss before income taxes | (352,968) | (46,825) | 251,534 |
| Provision for income taxes | -- | -- | -- |
| | ----- | ----- | ----- |
| Net Income (Loss) | \$ (352,968) | \$ (46,825) | \$ 251,534 |
| | ===== | ===== | ===== |

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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 hereunto duly authorized.

Date: November 19, 2004

VoIP, INC.
(Registrant)

By: /s/ Steven Ivester

Steven Ivester
President and Chief Executive Officer

