

ACCESS INTEGRATED TECHNOLOGIES INC
Form 10QSB
February 14, 2007
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended: December 31, 2006

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT

OF 1934

For the transition period from --- to ---

Commission File Number: 000-51910

Access Integrated Technologies, Inc.

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

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

22-3720962
(I.R.S. Employer Identification No.)

55 Madison Avenue, Suite 300, Morristown New Jersey 07960

(Address of Principal Executive Offices)

(973-290-0080)

(Issuer's Telephone Number, Including Area Code)

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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

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

As of February 7, 2007, 23,743,285 shares of Class A Common Stock, \$0.001 par value, and 763,811 shares of Class B Common Stock, \$0.001 par value, were outstanding.

Transitional Small Business Disclosure Format (check one): Yes No

ACCESS INTEGRATED TECHNOLOGIES, INC.

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ACCESS INTEGRATED TECHNOLOGIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except for share data)

	March 31,	December 31,
	2006	2006 (Unaudited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 36,641	\$ 55,382
Investment securities, available-for-sale	24,000	
Accounts receivable, net	1,132	14,167
Unbilled revenue	1,492	1,922
Prepaid and other current assets	627	1,777
Note receivable, current portion	43	79
Current assets of discontinued operations	4,756	5,063
Total current assets	68,691	78,390
Deposits on property and equipment	8,673	9,879
Property and equipment, net	32,434	156,807
Intangible assets, net	1,802	14,983
Capitalized software costs, net	1,680	2,895
Goodwill	9,123	15,556
Accounts receivable, net of current portion		215
Deferred costs	148	4,138
Note receivable, net of current portion	1,122	1,245
Unbilled revenue, net of current portion	42	890
Security deposits	52	80
Restricted cash	180	180
Total assets	\$ 123,947	\$ 285,258

See accompanying notes to Unaudited Condensed Consolidated Financial Statements

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ACCESS INTEGRATED TECHNOLOGIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except for share data)

(continued)

	March 31, 2006	December 31, 2006 (Unaudited)
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 13,249	\$ 31,523
Current portion of notes payable	1,203	2,290
Current portion of customer security deposits	105	83
Current portion of capital leases	84	74
Current portion of deferred revenue	738	7,920
Current liabilities of discontinued operations	1,360	1,200
Total current liabilities	16,739	43,090
Notes payable, net of current portion	1,948	136,933
Deferred revenue, net of current portion		1,266
Capital leases, net of current portion	5,978	5,924
Deferred tax liability	801	593
Total liabilities	25,466	187,806
Commitments and contingencies (see Note 9)		
Stockholders Equity		
Class A common stock, \$0.001 par value per share; 40,000,000 shares authorized; 22,059,567 and 23,334,725 shares issued and 22,008,127 and 23,283,285 shares outstanding at March 31, 2006 and December 31, 2006, respectively	22	23
Class B common stock, \$0.001 par value per share; 15,000,000 shares authorized; 925,811 and 763,811 shares issued and outstanding, at March 31, 2006 and December 31, 2006, respectively	1	1
Additional paid-in capital	136,929	150,603
Treasury stock, at cost; 51,440 Class A shares	(172)	(172)
Accumulated deficit	(38,299)	(53,003)
Total stockholders equity	98,481	97,452
Total liabilities and stockholders equity	\$ 123,947	\$ 285,258

See accompanying notes to Unaudited Condensed Consolidated Financial Statements

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ACCESS INTEGRATED TECHNOLOGIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except for share and per share data)

(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	December 31,		December 31,	
	2005	2006	2005	2006
Revenues	\$2,751	\$12,783	\$7,377	\$25,396
Costs and Expenses:				
Direct operating	1,813	5,070	5,147	10,813
Selling, general and administrative	2,098	5,597	5,755	11,691
Provision for doubtful accounts	8	192	18	271
Research and development	37	95	324	274
Non-cash stock-based compensation		50		2,820
Depreciation and amortization	807	4,613	2,332	9,216
Total operating expenses	4,763	15,617	13,576	35,085
Loss from continuing operations before other income (expense) and income tax benefit and discontinued operations	(2,012)	(2,834)	(6,199)	(9,689)
Interest income	96	183	180	627
Interest expense	(313)	(2,087)	(1,836)	(3,191)
Non-cash interest expense	(32)	(922)	(1,325)	(968)
Debt conversion expense	(125)		(6,208)	
Other (expense) income, net	414	4	1,648	(195)
Loss before income tax benefit and discontinued operations	(1,972)	(5,656)	(13,740)	(13,416)
Income tax benefit	69	69	207	207
Loss from continuing operations	(1,903)	(5,587)	(13,533)	(13,209)
Loss from discontinued operations	(134)	(575)	(254)	(1,495)
Net loss	\$(2,037)	\$(6,162)	\$(13,787)	\$(14,704)