

Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

KORE HOLDINGS, INC  
Form 10KSB  
February 15, 2005

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

FORM 10-KSB  
(First Amendment)  
ANNUAL REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

0-28555  
(Commission file number)

KORE HOLDINGS, INC.  
(Name of small business issuer in its charter)

Nevada  
(State or other jurisdiction of incorporation  
or organization)

86-0960464  
(I.R.S. Employer  
Identification Number)

41667 Yosemite Pines Drive, Oakhurst, CA 93644  
(Address of principal executive offices)

93644  
(Zip Code)

Issuer's telephone number is: (559) 692-2474

VOLT INC.  
(Former name or former address, if changed since last report)

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:

\$.001 Par Value Common Stock  
(Title of Class)

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

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this from, and no disclosure will be contained to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10KSB or any amendment to this Form 10KSB.

Indicate by check mark whether the issuer is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes  No

The issuer's revenues for the most recent fiscal year were \$2,608,104.

The aggregate value of the voting stock held by non-affiliates as of February 11, 2004, was \$7,083,968.

The number of shares outstanding of the issuer's common equity as of February 11, 2004 was 4,919,422, \$.001 Par Value.

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

Portions of the following documents are incorporated by reference into Part III, Item 13: Applicable portions of the Company's Form 10SB/A (Amendment No. 4) filed with the Securities and Exchange Commission on September 15, 2000, applicable portions of the Company's Form 8K/A (Amendment No. 1) filed with the Securities and Exchange Commission on September 26, 2001 and applicable portions of the Company's Form 10KSB for the year ended September 30, 2002 filed with the Securities and Exchange Commission on January 15, 2003.

Transitional Small Business Disclosure Format (Check one): Yes [ ] No [X]

### PART I

#### ITEM 1. DESCRIPTION OF BUSINESS

##### History

The Company was incorporated in the state of Colorado on March 31, 1997, under the name Biovid Corporation for the purpose of entering into the printing and publishing business. The Company did not commence active business operations in the publishing industry until August 1998, when began acquiring existing printing and publishing businesses as subsidiaries. From August, 1998, until December 31, 1999, the Company derived its revenue primarily from providing printing and publishing services to artists and publishers. The Company discontinued its printing and publishing operations effective December 31, 1999, to concentrate its efforts on Internet-based publishing initiatives. In December 1999, the company effected a merger whereby it became a Nevada corporation and changed its name to Deerbrook Publishing Group, Inc. and continued as a holding company looking for other business to acquire.

On April 1, 2001, the Company disposed of its printing and publishing subsidiaries and ceased active business operations. On April 6, 2001, control of the Company changed and the Company determined to explore new business opportunities including but not limited to the acquisition of alternative energy sources in the State of California and other states for resale to the public. Also on April 6, 2001, the Company changed its name to Volt Inc.

On May 15, 2001, the Company acquired all of the stock of Arcadian Renewable Power, Inc., a Delaware corporation ("Arcadian") and thereby acquired control of all of the assets of Arcadian. Arcadian is in the business of alternative energy production.

In May, 2001, the Company established Sun Volt, Inc., a Nevada corporation ("Sun Volt") to engage in the business of construction and sale of energy products and energy projects.

In May, 2001, the Company established Sun Electronics, Inc., a Nevada corporation ("Sun Electronics") to engage in the research and development of alternative energy products.

On May 17, 2002, the Company acquired all of the stock of First Washington Financial Corporation, a Nevada corporation ("First Washington"). First Washington is a mortgage loan originator in the home mortgage loan industry concentrated primarily in Washington, D.C., Maryland and Virginia. The acquisition of First Washington is deemed an acquisition of a significant subsidiary because it met a condition under Section 210.3-05 of Regulation SX.

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

On May 17, 2002, the Company acquired Opportunity Knocks, LLC, a Maryland limited liability company ("Opportunity Knocks"). Opportunity Knocks is in the business of acquiring, refurbishing and selling real estate. Opportunity Knocks specializes in HUD properties. The acquisition of Opportunity Knocks is not deemed an acquisition of a significant subsidiary because it did not meet a condition under Section 210.3-05 of Regulation SX.

In October 2002, and April 3, 2003, the Company acquired Mortgage-Matic Brokers, LLC and Heritage Mortgage Bankers, LLC respectively. Both Mortgage-Matic and Heritage are mortgage loan originators in the home mortgage loan industry in Washington, D.C., Maryland and Virginia. In July, 2003, the Company disposed of both Mortgage-Matic and Heritage. The acquisitions of these companies is not deemed an acquisition of a significant subsidiary because the acquisitions did not meet a condition under Section 210.3-05 of Regulation SX.

In August, 2003, First Washington acquired Yosemite Mortgage, Inc. as a branch office in the Central Valley of California. This branch office was subsequently closed effective December 31, 2004.

Subsequent to September 30, 2003, and on October 16, 2004, the Company amended its Articles of Incorporation to change its name to Kore Holdings, Inc. and to increase its authorized common stock to 400,000,000 common shares, \$.001 par value and to increase its authorized preferred stock to 100,000,000 preferred shares, \$.001 par value.

### The Company

The Company is a holding company formed in the State of Nevada whose subsidiaries include Arcadian, Sun Volt, Sun Electronics, First Washington, Opportunity Knocks and Yosemite Mortgage, Inc.

The Company is listed on the OTC Bulletin Board and its common stock traded under the stock symbol "VOLT" until October, 2004, when its symbol changed to "KORH".

### The Alternative Energy Business

Arcadian's major asset is the Altamont Wind Generation Facility, which is an existing electricity generation facility located on approximately 4000 acres in the Altamonte Pass, east of San Francisco, CA (the "Wind Farm"). The Wind Farm has approximately 1300 wind turbines at present which were installed in the 1980's, approximately 600 of which are still operable. The Wind Farm will have to be re-powered in order to make its operation economically feasible. The Company plans to re-power the Wind Farm with new 950 KW state-of-the-art turbines. The Wind Farm is zoned and permitted for up to 114 megawatts, and the infrastructure includes the wind turbines, 300 miles of transmission lines, a 150 MW substation and an interconnection to the PG&E grid. The ground leases extend to 2036 with options to renew. The cost to produce electricity is approximately 4.5 cents per KWH, and is eligible for up to 3.5 cents of tax credits. Sale price of the electricity should be in the range of 6.9 cents per KWH with annual revenue in the \$5 Million range without calculating green tickets or tax credits and other incentives.

The Company is in the planning stages to re-power and activate its Wind Farm. In 2003, Pacific Gas and Electric Company emerged from Chapter 11 Reorganization proceedings thereby eliminating one obstacle to re-powering the Wind Farm. However, the State of California has not yet established regulations for the re-powering of wind farms pursuant to California's Renewals Portfolio Standard law ("RPS"). The Company is working with industry groups to obtain RPS implementation rules critical to the success of wind energy

Sun Electronics is conducting Photovoltaics research and development of a

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

patented paint on cellprocess licensed to the company and other solar and energy related technologies.

Sun Volt is currently engaged in the sale and construction of alternative energy products and power from generators and other sources of co-generation.

### The Mortgage Business

First Washington earns fees on the origination of real estate mortgage loans in the Washington D. C. area and, until December 31, 2004, in California's Central Valley through its branch office Yosemite Mortgage. First Washington specializes in residential mortgage loans. First Washington has seven full time employees. First Washington obtains customers through direct contact by telephone, the internet and referrals from existing customers.

### The Real Estate Business

Opportunity Knocks is in the business of acquiring, refurbishing and selling real estate. Initially, Opportunity Knocks will utilize the expertise and some of the employees of First Washington to operate its business. Opportunity Knocks specializes in acquiring, refurbishing and selling of HUD properties. Opportunity Knocks will utilize the HUD gifting program to attract first time home buyers who might not otherwise be able to qualify for a home mortgage. Opportunity Knocks shares office space with First Washington.

## ITEM 2. DESCRIPTION OF PROPERTY

### Corporate Offices

The Company leases its corporate and executive offices at 41667 Yosemite Pines Drive, Oakhurst, CA 93644. The Company considers its offices to be adequate. First Washington leases its corporate offices at 8905 Fairview Road, Silver Springs, MD 20910. The Company considers First Washington's offices to be adequate.

### Energy Properties

The Company's Wind Farms are all located on leased property in the Altamonte Pass east of San Francisco, California.

## ITEM 3. LEGAL PROCEEDINGS

There are no pending or threatened legal proceedings against the Company or any of its subsidiaries.

## ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fiscal year ended September 30, 2004.

## PART II

## ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

### Market Information

The company's Common Stock traded on the OTC Bulletin Board under the stock symbol "VOLT" until October, 2004 when its symbol changed to KORH. The following table sets forth the quarterly high and low closing bid prices for the Company's common stock for the periods indicated:

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

For the year ended September 30, 2003:

VOLT now KORH:

	High	Low
Quarter ended December 31, 2002	\$ 3.30	3.30
Quarter ended March 31, 2003	3.05	3.00
Quarter ended June 30, 2003	2.45	1.20
Quarter ended September 30, 2003	1.85	1.60

For the year ended September 30, 2004:

VOLT now KORH

	High	Low
Quarter ended December 31, 2003	\$ 2.90	2.25
Quarter ended March 31, 2004	2.65	1.98
Quarter ended June 30, 2004	2.25	1.51
Quarter ended September 30, 2004	1.37	1.00

The quotations reflect inter-dealer prices, without mark-up, mark-down or commission and may not represent actual transactions.

### Capital Stock and Holders of Capital Stock

As of September 30, 2004, the Company had two classes of capital stock outstanding; Common Stock, \$.001 par value, and Series A Voting Convertible Preferred Stock. As of September 30, 2004, there were approximately 750 holders of record of the Company's Common Stock and one holder of record of the Company's Series A Voting Convertible Preferred Stock. The Company's Series A Voting Convertible Preferred Stock is convertible into the Company's common stock at the ratio of five shares of the Company's Common Stock for each share of the Company's Series A Voting Convertible Preferred Stock.

As of September 30, 2004, the Company's subsidiary, First Washington, has two classes of capital stock outstanding; Common Stock, no par value and Series A 10 % Non-Cumulative Convertible Preferred Stock. The Company owns 10,000,000 shares of First Washington's Common Stock, no par value. First Washington has issued 500,000 shares of Series A 10% Non-Cumulative Convertible Preferred Stock which is convertible into First Washington's Common Stock at the ratio of four shares of First Washington's Common Stock for each share of First Washington's Series A 10% Non-Cumulative Convertible Preferred Stock. There is one owner of First Washington's Series A 10% Non-Cumulative Convertible Preferred Stock. Subsequent to September 30, 2004, and effective December 2004, all of the outstanding First Washington Series A 10% Non-Cumulative Convertible Preferred Stock was redeemed by First Washington in exchange for the closing of Yosemite mortgage. As of December 31, 2004, there were no holders of First Washington Series A 10% Non-Cumulative Convertible Preferred Stock.

### Dividends

The Company has not declared or paid any cash dividends on its common stock and does not intend to declare or pay any cash dividends in the foreseeable future. The payment of dividends, if any, is within the discretion of the Board of Directors and will depend on the Company's earnings, if any, its capital requirements and financial condition and other such factors as the Board of Directors may consider.

Securities Authorized for Issuance Under Equity Compensation Plans.

None.

Recent Sales of Unregistered Securities

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

Sales of securities by the Company and its subsidiaries within the past three years without registration under the Securities Act were as follows:

With respect to such sales within the fiscal years ended September 30, 2004, 2003 and 2002, see Note 6 to the Company's Consolidated Financial Statements contained herein. Each share of the Company's Series A Voting Convertible Preferred Stock referred to in Note 6 is convertible into five shares of the Company's common stock at the option of the holder(s) thereof. Each share of First Washington's Series A 10% Non-Cumulative Convertible Preferred Stock referred to in Note 6 is convertible into four shares of First Washington's common stock at the option of the holder(s) thereof.

The Company claims exemption from registration for these securities under Section 4(2) of the Securities Act in as much as all of the purchasers were "accredited investors" as that term is defined in Regulation D as promulgated by the Securities and Exchange Commission and all of the purchasers either alone or with their purchaser representative(s) had such knowledge and experience in financial and business matters that they were capable of evaluating the merits and risks of the purchase of the Company's securities.

### ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

THE FOLLOWING DISCUSSION OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE COMPANY SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND NOTES THERETO INCLUDED ELSEWHERE IN THIS REPORT.

THIS DISCUSSION CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES, AND THE COMPANY'S ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THESE FORWARD-LOOKING STATEMENTS AS A RESULT OF CERTAIN FACTORS, INCLUDING, BUT NOT LIMITED TO COMPETITION AND OVERALL MARKET AND ECONOMIC CONDITIONS.

#### Restatement

As discussed in Note 10 to the consolidated financial statements contained elsewhere in this report, the Company has amended its previously issued consolidated financial statements for the year ended September 30, 2002 on its report dated December 9, 2002. The Company has amended these consolidated financial statements to reclassify a portion of its goodwill acquired in the First Washington Corporation transaction as cash in the amount of \$172,428 and has reclassified \$133,000 previously classified as notes receivable to general and administrative expenses. These transactions resulted in a decrease in net income of \$305,428 to a net loss of \$44,408 and an increase in the accumulated deficit to (\$4,770,083).

In addition for the year ended September 30, 2003, the Company has reclassified \$143,326 previously classified as notes receivable to general and administrative expenses. This transaction resulted in a decrease in net income of \$143,326 to a net loss of \$73,792 and increase in the accumulated deficit to (\$4,843,875).

The Company has restated its consolidated financial statements for September 30, 2002 to reclassify \$172,428 of cash and cash equivalents, a current asset, as restricted cash, which is not a current asset. This reclassification had no effect on total assets or total liabilities and stockholders' equity.

#### Management Discussion Snapshot

The following table sets forth certain of the Company's summary selected operating and financial data. The following table should be read in conjunction with all other financial information and analysis presented herein including the Audited Financial Statements for the Years Ended September 30, 2004 and September 30, 2003.

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

### Summary Selected Statements Operating and Other Financial Data

	2004	(Restated) 2003
Revenue	\$2,608,103	\$2,041,991
Cost of revenue	\$1,276,826	\$1,122,381
Gross profit	\$1,331,277	\$ 919,610
Operating expenses	\$1,250,083	\$1,054,765
Income (loss) from continuing operations before gain from discontinued operations, disposal and income taxes	\$ 81,194	\$ (135,155)
Gain from discontinued operations	\$ -	\$ 97,723
Loss on disposal	\$ -	\$ (36,360)
Provision for income taxes	\$ -	\$ -
Net income (loss)	\$ 81,194	\$ (73,792)
Income (loss) per share on continuing operations	\$ 0.02	\$ (0.03)
Earnings per share from discontinued operations	\$ -	\$ 0.02
Loss per share on disposal	\$ -	\$ (0.01)
Income (Loss) per share on all operations	\$ 0.02	\$ (0.02)
Weighted average shares outstanding	\$ 4,752,775	\$ 3,919,442
Current assets	\$ 306,568	\$ 47,775
Property and equipment	\$ 5,789,769	\$ 5,806,927
Other assets	\$ 3,501,986	\$ 3,093,652
Total assets	\$ 9,598,323	\$ 8,948,354
Total liabilities	\$ 61,838	\$ 51,663
Total stockholders' equity	\$ 9,536,485	\$ 8,896,691
Total liabilities and stockholders' equity	\$ 9,598,323	\$ 8,948,354

#### Results of Operations

##### Revenue and Expenses

For the year ended September 30, 2004, the Company had revenue of \$2,608,103, net income of 81,194 and net income per common share on continuing operations of \$0.02 based on a weighted average of 4,752,775 common shares outstanding. All of the Company's revenue was generated from its mortgage business. The Company's revenue is not dependent on any key customers.

For the year ended September 30, 2003, the Company had revenue of \$2,041,991, a net loss from continuing operations before gain from discontinued operations, disposal and income taxes of \$(135,155) and a net loss per common share of \$(0.03) based on a weighted average of 3,919,442 common shares outstanding. All of the Company's revenue was generated from its mortgage business. The Company's revenue is not dependent on any key customers.

Revenue in the year ended September 30, 2004 was \$2,608,103 compared to \$2,041,991 in the year ended September 30, 2003. This is an increase of \$566,112 from period to period. This increase in revenue is primarily attributable to the opening of the Yosemite Mortgage branch office in Oakhurst, California and increased sales as a result.

Cost of revenue in the year ended September 30, 2004 was \$1,276,826 compared to \$1,122,381 in the year ended September 30, 2003. This is an increase of \$154,445 from period to period. This increase in cost of revenue is primarily attributable to increased sales. Furthermore, the Company believes that it has reduced the rate of increase of cost of revenue.

Gross profit in the year ended September 30, 2004 was \$1,331,277 compared to

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

\$919,610 in the year ended September 30, 2003. This is an increase of \$411,667 from period to period. This increase in gross profit is primarily attributable to increased sales. Moreover, the Company believes that it has achieved a reduction of the rate of increase of cost of revenue.

Operating expenses in the year ended September 30, 2004 were \$1,250,083 compared to operating expenses of \$1,054,765 in the year ended September 30, 2003. This is an increase of \$195,318 from period to period. This increase in operating expenses is primarily attributable to increased sales. Moreover, the Company believes that it has achieved a reduction of the rate of increase of operating expenses.

Income from continuing operations in the year ended September 30, 2004 was \$81,194 compared to a loss from continuing operations before gain from discontinued operations and disposal of \$(135,155) in the year ended September 30, 2003. This is an increase of \$216,349 from period to period. This increase in income from continuing operations is primarily attributable to increased sales, a reduction in the rate of increase of cost of revenue and operating expenses.

Income per share on continuing operations for the year ended September 30, 2004 was \$0.02 compared to a loss per share of \$(0.03) for the year ended for the year ended September 30, 2003. This is a increase of \$.05 from period to period. This increase in income per share is primarily attributable to increased sales, a reduction in the rate of increase of cost of revenue and operating expenses.

There was no gain from discontinued operations in the year ended September 30, 2004 compared to \$97,723 gain from discontinued operations in the year ended September 30, 2003. This is a reduction in gain from discontinued operations of \$97,723 from period to period. This gain represents the net income derived from two subsidiaries of the Company, Heritage Mortgage and Mortgage Matic, before their operations were discontinued in 2003. There were no discontinued operations in the year ended September 30, 2004.

There were no earnings per share from discontinued operations for the year ended September 30, 2004 compared to \$0.02 earnings per share from discontinued operations for the year ended September 30, 2003. This is a reduction of earnings per share from discontinued operations of \$0.02 from period to period. The earnings per share from discontinued operations for 2003 represent earnings from the net income derived from two subsidiaries of the Company, Heritage Mortgage and Mortgage Matic, before their operations were discontinued in 2003. There were no discontinued operations in the year ended September 30, 2004.

There was no loss on disposal in the year ended September 30, 2004 compared to loss on disposal of \$(36,360) in the year ended September 30, 2003. This loss represents the loss on the disposition of two of the Company's subsidiaries, Heritage Mortgage and Mortgage Matic, in 2003. There were no such disposals in the year ended September 20, 2004.

There was no loss per share on disposal for the year ended September 30, 2004 compared to \$(0.02) loss per share from disposal for the year ended September 30, 2003. This loss per share from disposal represents the loss on the disposal of two of the Company's subsidiaries, Heritage Mortgage and Mortgage Matic, in 2003. There were no such disposals in the year ended September 20, 2004.

Income per share on all operations was \$0.02 for the year ended September 30, 2004 compared to \$(0.02) for the year ended September 30, 2003. This is a increase of \$.04 from period to period. However the loss per share for the year ended September 30, 2003 includes gain from discontinued operations of \$97,723 which is a one time event.

Assets and Stockholders' Equity



## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

Current Assets in the year ended September 30, 2004 were \$306,568 compared to \$47,775 in the year ended September 30, 2002. This is an increase of \$258,793 from period to period. This increase in current assets is primarily attributable to increased sales, a reduction in the rate of increase of cost of revenue and operating expenses.

Other assets in the year ended September 30, 2004 were \$3,501,986 compared to \$3,093,652 in the year ended September 30, 2003. This is an increase of \$408,334 from period to period. This increase is attributable to the acquisition of an intangible asset by the company for \$500,000. See Note 4 of the Company's Consolidated Financial Statements contained elsewhere in this report.

Total assets in the year ended September 30, 2004 were \$9,598,323 compared to \$8,948,354 in the year ended September 30, 2003. This is an increase of \$649,969 from period to period. This increase is attributable primarily to the increases in current assets and other assets discussed above.

Stockholders' equity in the year ended September 30, 2004 was \$9,536,485 compared to \$8,896,691 in the year ended September 30, 2003. This is an increase of \$639,794 from period to period. This increase is primarily attributable to the increases in current assets and other assets discussed above.

### Liabilities

Liabilities in the year ended September 30, 2004 were \$61,838 compared to \$51,663 in the year ended September 30, 2003. This is an increase of \$10,175 from period to period. This increase is primarily attributable to increased sales.

### Working Capital

The following table sets forth a summary of the Company's working capital.

AT SEPTEMBER 30:	2004	2003
Current assets	\$ 306,568	\$ 47,775
Current liabilities	61,838	51,663
Working capital	\$ 244,730	\$ (3,888)
Current ratio	4.95	.0.92

Working capital in the year ended September 30, 2004 was \$244,730 compared to \$(3,888) in the year ended September 30, 2003. This is an increase of \$248,618 from period to period. This increase is primarily attributable to increased sales, a reduction in the rate of increase of cost of revenue and operating expenses.

### Cash Flow

The Company's cash flow from operating, investing and financing activities, as reflected in the Consolidated Statement of Cash Flows are summarized in the table below.

FOR THE YEARS ENDED SEPTEMBER 30:	2004	2003
Net cash provided by/(used in):		
Operating activities	\$ 201,623	\$ (14,240)
Investing activities	(3,133)	(15,500)

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

Financing activities		58,600		45,400
		-----		-----
Net change in cash and cash equivalents	\$	257,090	\$	15,600
		=====		=====

Net cash provided by operating activities in the year ended September 30, 2004 was \$201,623 compared to net cash used in operating activities of \$(14,240) in the year ended September 30, 2003. This is an increase of \$215,863 from period to period. This increase is primarily attributable to increased sales, a reduction in the rate of increase of cost of revenue and operating expenses.

Net cash used in investing activities in the year ended September 30, 2004 was \$(3,133) compared to \$(15,500) in the year ended September 30, 2003. This is a decrease of net cash used in investing activities of \$12,367 from period to period. This decrease is due primarily to the fact that the Company did not need to purchase as much additional property and equipment.

Net cash provided by financing activities in the year ended September 30, 2004 was \$58,600 compared to \$45,400 in the year ended September 30, 2003. This is an increase of \$13,200 from period to period. This increase is due to capital contributions by an officer and a shareholder.

### Off Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements as defined by SEC Final Rule 67 (FR-67) "Disclosure in Management's Discussion and Analysis about Off-Balance Sheet Arrangements and Aggregate Contractual Obligations."

### Liquidity and Capital Resources

Subsequent to the discontinuation of the Company's previous printing business and the change in management and control, the Company's net cash provided from operating activities has been sufficient to satisfy the Company's firm contractual commitments and budgeted expenses. The Company believes that its net cash provided from operating activities will in the foreseeable future continue to be sufficient to satisfy the Company's firm contractual commitments and budgeted expenses.

### Looking Forward

The Company continues to pursue a review of its mortgage business to increase revenue and lower cost of revenue and operating expenses. In that regard, during 2003, it disposed of two of its subsidiary branch offices which were under performing. The Company believes it will be successful in increasing revenue and reducing all costs in the future. However, there can be no assurance that the Company will be successful in doing this.

The Company is actively seeking to expand its mortgage business by opening additional branch offices.

The Company is actively seeking to expand its energy business by continuing plans to re-power its existing wind farm and by acquiring additional energy businesses.

### ITEM 7. FINANCIAL STATEMENTS

The Company's consolidated financial statements of are attached hereto.

### ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS

There have been no changes in or disagreements with the Company's accountants on any matter.

# Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

## PART III

### ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information regarding the Company's directors, executive officers, and certain key employees:

Name	Age	Position with the Company
Denis C. Tseklenis	55	Chairman, President, Chief Executive Officer and Secretary
Robert F. Rood(1)	38	Director, Treasurer
James A. Sharon	54	Director
Bruce A. Persson	63	Director

Denis C. Tseklenis. Mr. Tseklenis has served as the chairman of the board of directors, president, chief executive officer and secretary of the Company since April 6, 2001. Mr. Tseklenis has a Masters of Science Degree from Boston University and an extensive background in marketing, finance and public corporate development. Mr. Tseklenis has previously served as president and chairman of other public companies in which revenues exceeded One Hundred Million Dollars (\$100,000,000) per year and which had rapid growth in multiple locations. In the 1980's Mr. Tseklenis' companies sold and leased over 60,000 solar systems to home owners at a cost of approximately \$4,000 per unit. Mr. Tseklenis has extensive experience in real estate management and construction having managed over 2, 500 apartment and condominium units.

Robert F. Rood(1) Mr. Rood has been a director and the treasurer of the Company since March 17, 2002. Mr. Rood has been in the finance industry since 1991. Mr. Rood has managed and consulted and has served as a financial consultant for unions and REITS. In conjunction with Donaldson, Lufkin and Jeanerette, Mr. Rood participated in the designing of secondary market products. In 1997, Mr. Rood entered the mortgage lending industry at Wall Street Mortgage Corporation as head of the sales force and was responsible for promoting custom-made mortgage products and FHA lending. In 2000, Mr. Rood went to F&M Bank in Bethesda Maryland to start and supervise the newly formed wholesale mortgage division. When F&M Bank was acquired, Mr. Rood left to become manager of the Bethesda office of Fidelity & Trust Mortgage, Inc. In 2000, Mr. Rood helped found First Washington, now a wholly owned subsidiary of the Company.

James A. Sharon. Mr. Sharon has been a director of the Company since September 15, 2002. Mr. Sharon was an exchange student at City University in London in 1972 and holds a Bachelor of Science Degree in Civil Engineering with Honors from Worcester Polytechnic Institute. Mr. Sharon is licensed by the State of Florida as a Certified Building Contractor and a Certified Solar Energy Contractor. Mr. Sharon has public company experience as a former president of a public company and has experience in lease negotiations with major tenants such as Mobil Oil, Cellular-One and Marriott Corp. Mr. Sharon has extensive experience in the installation of large commercial renewable energy projects.

Bruce Persson. Mr. Persson has been a director of the Company since February 13, 2002. Mr. Persson has owned and operated California Paving, Inc., a licensed paving contractor since 1993. Mr. Persson was a founder of the Bank of Madera, Oakhurst, California, and was a director of the bank until 1999. Mr. Persson has extensive experience in business and real estate development.

There are no family relationships among directors, or executive officers.

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

(1) On March 27, 2004 Mr. Rood resigned as an officer and a director.

### ITEM 10. EXECUTIVE COMPENSATION

The Company paid no executive compensation for the fiscal year ended September 30, 2004.

In the fiscal year ended September 30, 2003, the Company paid Robert F. Rood, the Company's Treasurer annual compensation of \$140,401. The Company paid no other executive compensation of any nature in the fiscal year ended September 30, 2003.

The Company has no employment contracts. The company does not have a bonus or stock option plan at this time.

### ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following is a listing of security ownership of management and certain beneficial owners of the Issuer's securities as of February 14, 2004. On that date there were 4,919,422 shares of the Company's common stock issued and outstanding and 1,000,000 shares of the Company's Series One Voting Convertible Preferred Stock outstanding.

Title of Class	Name and Position of Beneficial Owner	Amount	and Nature of Beneficial Ownership	Percent of Class
Common	Denis C. Tseklenis President, CEO and Secretary	1,627,995		33%
Common	Robert F. Rood Director and Treasurer(2)	500,000		10%
Total Officers and Directors as a Group		2,127,995		43%
Series A Preferred	Denis C. Tseklenis President, CEO and Secretary	1,000,000		100%
Total Officers and Directors as a Group		1,000,000		100%

(1) Subject to community property laws when applicable, the persons named in the above table have sole voting and investing power with respect to all shares of stock beneficially owned by them.

(2) On March 27, 2004 Robert F. Rood resigned as an officer and a director.

### ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None

### ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

Index to Exhibits

Exhibit No.	Description of Document
-------------	-------------------------

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

- 2.1(1) Articles of Merger merging Artup.com Network, Inc., a Colorado corporation, with and into the Registrant
- 3.1(1) Articles of Incorporation of the Registrant
- 3.2(1) Bylaws of the Registrant
- 4.1(1) Specimen of Common Stock Certificate
- 4.2(1) Specimen of Certificate for Common Stock Purchase Warrants
- 4.3(1) Common Stock Purchase Warrant dated January 3, 2000, issued to Gene Bowlds
- 4.4(1) Non-Statutory Stock Option Certificate dated February 16, 2000, issued to Michael Paloma
- 10.1(1) Master Consulting Services Agreement dated as of July 28, 1999 between the Registrant and Integrated Information Systems, Inc.
- 10.2(1) Equipment Lease dated September 15, 1999 between the Registrant and Copelco Capital, Inc.
- 10.3(1) Employment Agreement between the Registrant and Mark L. Eaker
- 10.4(1) Employment Agreement between the Registrant and Keith M. Chesser
- 10.5(1) 1999 Incentive Stock Plan
- 16.1(1) Letter on change in certifying accountant from Alvin H. Bender, C.P.A.
- 16.2(1) Letter on change in certifying accountant from Mark Shelley, CPA
- 16.3(2) Letter on change in certifying accountants from Semple and Cooper, LLP
- 21.2(3) Subsidiaries of registrant

(1) Previously filed with the Securities and Exchange Commission and incorporated herein by reference from the Company's Form 10-SB/A (Forth Amendment) filed September 15, 2000.

(2) Previously filed with the Securities and Exchange Commission and incorporated herein by reference from the Company's Form 8-K/A (First Amendment) filed October 26, 2001.

(3) Previously filed with the Securities and Exchange Commission and incorporated herein by reference from the Company's Form 10K-SB for the year ended September 30, 2002 filed January 15, 2003.

### Reports on Form 8-K:

On May 30, 2002, the Company filed a Form 8-K to report the acquisition of First Washington Financial Corporation.

On January 18, 2005, the Company filled an Amended Form 8-K amending its Form 8-K filed on May 30, 2002, to report the acquisition of First Washington Financial Corporation.

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

### ITEM 14. EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures. The Company's principal executive officer, after evaluating the effectiveness of the Company's "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 Rules 13a-14(c) and 15-d-14(c)) as of a date (the "Evaluation Date") within 90 days before the filing date of this annual report, has concluded that as of the Evaluation Date, the Company's disclosure controls and procedures were adequate and designed to ensure that material information relating to the Company and the Company's consolidated subsidiaries would be made known to him by others within those entities.

Changes in internal controls. There were no significant changes in the Company's internal controls or to the Company's knowledge, in other factors that could significantly affect the Company's disclosure controls and procedures subsequent to the Evaluation Date.

### ITEM 15. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Approximate aggregate fees rendered by our independent auditors, Bagall Josephs & Company, LLC, for the years ended September 30, 2004 and 2003 are as follows:

	2004 -----	2003 -----
Audit Fees	\$ 31,240	\$ 20,751
Audit Related Fees	-0-	-0-
Tax Fees	3,000	5,197
All Other Fees	-0- -----	-0- -----
<b>TOTAL</b>	<b>\$ 34,240</b> =====	<b>\$ 25,948</b> =====

KORE HOLDINGS, INC. AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)

CONSOLIDATED  
FINANCIAL STATEMENTS

SEPTEMBER 30, 2004 AND 2003

KORE HOLDINGS, INC. AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2004 AND 2003

Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

PAGE(S)

CONSOLIDATED FINANCIAL STATEMENTS:

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANT	F-1
BALANCE SHEETS AS OF SEPTEMBER 30, 2004 AND 2003	F-2-3
STATEMENTS OF OPERATIONS FOR THE YEARS ENDED SEPTEMBER 30, 2004 AND 2003	F-4
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) FOR THE YEARS ENDED SEPTEMBER 30, 2004 AND 2003	F-5-6
STATEMENTS OF CASH FLOWS FOR YEARS ENDED SEPTEMBER 30, 2004 AND 2003	F-7-8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	F-9-18

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders of  
Kore Holdings, Inc. and Subsidiaries  
(formerly Volt Inc. and Subsidiaries)  
Oakhurst, California

We have audited the accompanying consolidated balance sheets of Kore Holdings, Inc. and Subsidiaries (formerly Volt Inc. and Subsidiaries) (the "Company") as of September 30, 2004 and 2003 and the related consolidated statements of operations, changes in stockholders' equity (deficit), and cash flows for the years then ended. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Kore Holdings, Inc. and Subsidiaries (formerly Volt Inc. and Subsidiaries) as of September 30, 2004 and 2003, and the consolidated results of its statements of operations, changes in stockholders' equity (deficit), and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As noted in Note 10, the Company has amended its previously issued consolidated financial statements for the year ended September 30, 2002 on its report dated December 9, 2002. The Company has amended these consolidated financial statements to reclassify a portion of its goodwill acquired in the First Washington Corporation transaction as restricted cash in the amount of \$172,428 and has reclassified \$133,000 previously classified as notes receivable to general and administrative expenses. These transactions resulted in a decrease in net income of \$305,428 to a net loss of \$44,408 and increase in the accumulated deficit to (\$4,770,083). In addition for the year ended September 30, 2003, the Company has reclassified \$143,326 previously classified as notes receivable to general and administrative expenses. This transaction resulted in a decrease in net income of \$143,326 to a net loss of \$73,792 and increase in the accumulated deficit to (\$4,843,875).

BAGELL, JOSEPHS & COMPANY, L.L.C.  
 BAGELL, JOSEPHS & COMPANY, L.L.C.  
 Gibbsboro, New Jersey

February 12, 2005

F-1

KORE HOLDINGS, INC AND SUBSIDIARIES  
 (FORMERLY VOLT INC. AND SUBSIDIARIES)  
 CONSOLIDATED BALANCE SHEETS  
 SEPTEMBER 30, 2004 AND 2003

ASSETS

	2004	(Restated) 2003
	-----	-----
Current Assets:		
Cash and cash equivalents	\$ 272,843	\$ 15,753
Commissions receivable	33,725	30,022
Deposits	-	2,000
	-----	-----
Total Current Assets	306,568	47,775
Property and equipment, net	5,789,769	5,806,927
Other Assets:		
Restricted cash	234,240	234,240
Goodwill	2,859,412	2,859,412
Intangible Asset - Net	408,334	-
	-----	-----
Total Other Assets	3,501,986	3,093,652
	-----	-----



Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

Total Assets	\$9,598,323	\$8,948,354
	=====	=====

The accompanying notes are an integral part of the consolidated financial statements.

F-2

KORE HOLDINGS, INC AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
CONSOLIDATED BALANCE SHEETS (CONTINUED)  
SEPTEMBER 30, 2004 AND 2003

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

	2004	(Restated) 2003
	-----	-----
Current Liabilities:		
Accounts payable	\$ 61,838	\$ 51,663
	-----	-----
Total Current Liabilities	61,838	51,663
Commitments and Contingencies		
Stockholders' Equity (Deficit):		
Class A Preferred Stock, \$.001 par value, 10,000,000 shares authorized at September 30 2004 and 2003, respectively, and 1,000,000 issued and outstanding at September 30, 2004 and 2003, respectively	1,000	1,000
Class B Preferred Stock, no par value, 125,000 and 0 shares authorized at September 30, 2004 and 2003, respectively, and 0 and 0 issued and outstanding at September 30, 2004 and 2003, respectively	-	-
First Washington Class A Preferred Stock, no par value, 500,000 and 0 authorized at September 30, 2004 and 2003, respectively, and 500,000 and 0 issued and outstanding at September 30, 2004 and 2003, respectively	-	-
Common Stock, \$.001 par value, 25,000,000 shares authorized at September 30, 2004 and 2003, respectively, and 4,919,422 issued and outstanding at September 30, 2004 and 3,919,422 issued and outstanding at September 30, 2003	4,919	3,919
Additional paid-in capital	14,293,247	13,735,647
Accumulated deficit	(4,762,681)	(4,843,875)
	-----	-----
Total stockholders' equity (deficit)	9,536,485	8,896,691
	-----	-----
Total Liabilities and Stockholders' Equity (Deficit)	\$9,598,323	\$8,948,354

Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

=====

The accompanying notes are an integral part of the consolidated financial statements.

F-3

KORE HOLDINGS, INC AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED SEPTEMBER 30, 2004 AND 2003

	2004	(Restated) 2003
	-----	-----
Revenue	\$ 2,608,103	\$2,041,991
Cost of Revenue	1,276,826	1,122,381
	-----	-----
Gross Profit	1,331,277	919,610
Operating Expenses		
General and administrative costs	1,136,126	1,028,992
Depreciation and amortization	111,957	25,773
Bad debt expense	2,000	-
	-----	-----
Total operating expenses	1,250,083	1,054,765
	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE GAIN FROM DISCONTINUED OPERATIONS DISPOSAL AND INCOME TAXES	81,194	(135,155)
Gain from discontinued operations	-	97,723
Loss on disposal	-	(36,360)
	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	81,194	(73,792)
Income taxes	-	-
	-----	-----
NET INCOME	\$ 81,194	\$ (73,792)
	=====	=====
BASIS AND DILUTED EARNINGS PER SHARE:		
Earnings per share on continuing operations	\$ 0.02	\$ (0.03)
	=====	=====
Earnings per share on gain from discontinued operations	\$ -	\$ 0.02
	=====	=====
Loss per share on disposal	\$ -	\$ (0.01)
	=====	=====
Income (loss) per share on all operations	\$ 0.02	\$ (0.02)

Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING	4,752,755	3,919,422
	=====	=====

The accompanying notes are an integral part of the consolidated financial statements.

F-4

KORE HOLDINGS, INC AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)  
FOR THE YEARS ENDED SEPTEMBER 30, 2004 AND 2003 (RESTATED)

	Preferred Stock		Preferred Stock Class B		First Washington Preferred Stock Class A	
	Shares	Amount	Shares	Amount	Shares	Amount
	-----	-----	-----	-----	-----	-----
Balance, September 30, 2002	1,000,000	1,000	-	-	-	-
Acquisition/disposal of financial service companies	-	-	-	-	500,000	-
Contributed capital by officer	-	-	-	-	-	-
Net income - as previously reported	-	-	-	-	-	-
Prior period adjustment - see Note 10	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Balance, September 30, 2003	1,000,000	\$ 1,000	-	\$ -	500,000	\$ -
Common stock issued for licensing agent	-	-	-	-	-	-
Contributed capital by officer	-	-	-	-	-	-
Net income	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Balance, September 30, 2004	1,000,000	\$ 1,000	-	\$ -	500,000	\$ -
	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of the consolidated financial statements.

F-5

KORE HOLDINGS, INC AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT) (CONTINUED)

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

FOR THE YEARS ENDED SEPTEMBER 30, 2004 AND 2003 (RESTATED)

	Common Shares	Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Total
	-----	-----	-----	-----	-----
Balance, September 30, 2002	3,919,422	3,919	13,490,247	(4,770,083)	8,725,083
Acquisition/disposal of financial service companies	-	-	200,000	-	200,000
Contributed capital by officer	-	-	45,400	-	45,400
Net income - as previously reported	-	-	-	69,534	69,534
Prior period adjustment - see Note 10	-	-	-	(143,326)	(143,326)
Balance, September 30, 2003	3,919,422	\$ 3,919	\$13,735,647	\$ (4,843,875)	\$8,896,691
Common stock issued for licensing agent	1,000,000	1,000	499,000	-	500,000
Contributed capital by officer	-	-	58,600	-	58,600
Net income	-	-	-	- 81,194	81,194
Balance, September 30, 2004	4,919,422	\$ 4,919	\$14,293,247	\$ (4,762,681)	\$9,536,485

The accompanying notes are an integral part of the consolidated financial statements.

F-6

KORE HOLDINGS, INC AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2004 AND 2003

	2004	(Restated) 2003
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 81,194	\$ (73,792)

Adjustments to reconcile net income to net cash provided by operating activities:

Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

Depreciation and amortization	111,957	25,773
Net cash received in acquisition of Yosemite Brokerage, Inc.	-	54,820
Changes in assets and liabilities		
Restricted cash	-	(61,812)
Prepaid expenses and other	2,000	(2,000)
Commissions receivable	(3,703)	51,189
Accounts payable	10,175	(8,418)
	-----	-----
Total adjustments	120,429	59,552
	-----	-----
Net cash provided by (used in) operating activities	201,623	(14,240)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(3,133)	(15,500)
	-----	-----
Net cash used in investing activities	(3,133)	(15,500)

The accompanying notes are an integral part of the consolidated financial statements.

F-7

KORE HOLDINGS, INC AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED SEPTEMBER 30, 2004 AND 2003

	2004	(Restated) 2003
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributed capital	\$ 58,600	45,400
	-----	-----
Net cash provided by financing activities	58,600	45,400
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	257,090	15,660
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	15,753	93
	-----	-----
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 272,843	\$ 15,753
	=====	=====
SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION:		
Common stock issued for intangible asset	\$ 500,000	\$ -
	=====	=====

The accompanying notes are an integral part of the consolidated

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

financial statements.

F-8

KORE HOLDINGS, INC. AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2004 AND 2003

### NOTE 1- ORGANIZATION AND BASIS OF PRESENTATION

Kore Holdings, Inc. and Subsidiaries (formerly Volt Inc. and Subsidiaries) is a marketer of energy and financial services. The Company is in the initial stages of implementing its business plan. On October 16, 2004, the Company amended the articles of incorporation to change its name to Kore Holdings, Inc. and Subsidiaries.

On May 17, 2002, the Company acquired First Washington Financial Corporation, a company which provides financial services in Bethesda, Maryland ("First Washington"). First Washington, is a mortgage company whose emphasis lies in residential mortgages in the greater Washington D.C. service area. The combination was treated as a purchase with First Washington becoming a wholly owned subsidiary of Volt, Inc. Volt, Inc. recognized an intangible asset (goodwill) which represented the amount of value received over the net assets acquired. The operations of First Washington are included in the consolidated statements of income for the year ended September 30, 2002 from the date of inception May 17, 2002 to September 30, 2002. There was no predecessor entity of First Washington. The fair value of the transaction was recorded based on the number of shares issued to First Washington (2,000,000) at the fair value of the stock of Volt on the date of acquisition net of a discount since the stock issued in the acquisition was restricted stock (\$1.50). The cost of the net assets purchased and liabilities assumed approximated zero, however, the value of \$3,000,000 is based on the mortgage company's future earnings.

The Company has acquired Opportunity Knocks, LLC. during the third fiscal quarter of 2002 to rehabilitate HUD homes and other properties in Washington, D.C., Maryland and Virginia under the HUD Gift Program. This acquisition was done simultaneously with the acquisition of First Washington, and Opportunity Knocks is a wholly owned subsidiary of the Company.

In fiscal 2003, the Company expanded its financial services business, and brought in two businesses, that operationally failed to meet the Company's business model. Subsequent to these agreements being in force, the Company disposed of them. Additionally, the Washington Metropolitan Area market had not met Company expectations. As a result, the Company's subsidiary First Washington acquired Yosemite Brokerage, Inc. in Oakhurst, California, a few miles from the Company's headquarters. The Company has reflected the operations from the financial service companies as discontinued operations in

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

the consolidated statements of operations for the year ended September 30, 2003. The Company had issued Preferred Stock Class B, which has been cancelled by the Company.

In July 2003 (effective August 1, 2003), First Washington acquired Yosemite Brokerage, Inc. ("Yosemite"), a California corporation for 500,000 shares of First Washington Class A Preferred Stock. The acquisition was recorded for accounting purposes as a purchase acquisition. The Company valued this transaction at \$200,000 (\$.40 per share), which included the recognition of \$31,840 in goodwill.

F-9

KORE HOLDINGS, INC. AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2004 AND 2003

NOTE 1- ORGANIZATION AND BASIS OF PRESENTATION (CONTINUED)

The Company has three other power related wholly-owned subsidiaries; Sun Volt, Inc., Sun Electronics, Inc. and Arcadian Renewable Power, Inc. Arcadian Renewable Power, Inc. is the corporation that holds the Altamont Wind Farm in the Altamont Pass in Livermore, California.

As noted in Note 10, the Company has amended its previously issued consolidated financial statements for the year ended September 30, 2002 on its report dated December 9, 2002. The Company has amended these consolidated financial statements to reclassify a portion of its goodwill acquired in the First Washington Corporation transaction as cash in the amount of \$172,428 and has reclassified \$133,000 previously classified as notes receivable to general and administrative expenses. These transactions resulted in a decrease in net income of \$305,428 to a net loss of \$44,408 and increase in the accumulated deficit to (\$4,770,083). In addition for the year ended September 30, 2003, the Company has reclassified \$143,326 previously classified as notes receivable to general and administrative expenses. This transaction resulted in a decrease in net income of \$143,326 to a net loss of \$73,792 and increase in the accumulated deficit to (\$4,843,875).

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated balance sheets for September 30, 2004 and 2003 and consolidated statements of operations and cash flows for the years then ended includes Kore Holdings, Inc. and its wholly-owned subsidiaries. Intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Cash and Cash Equivalents

The Company considers all highly liquid debt instruments and other short-term investments with an initial maturity of three months or less to be cash or cash equivalents.

The Company maintains cash and cash equivalent balances at several financial institutions which are insured by the Federal Deposit Insurance Corporation up to \$100,000.

The Company has \$234,240 in restricted cash that is expected to be received in the next two years.

F-10

KORE HOLDINGS, INC. AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2004 AND 2003

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

This money has been held by the loan originator as a reserve, where First Washington placed its mortgage business.

### Property and Equipment

Property and equipment are stated at cost. Depreciation is computed primarily using the straight-line method over the estimated useful life of the assets.

Furniture and fixtures	5-7 years
Office and computer equipment	3-5 years
Wind Farm	40 years (not in service)

### Amortization

The Company is amortizing the license agreement and rights over a five year period. (See Note (4)).

### Revenue Recognition

For the Company's power division, sold merchandise and revenue was recorded under the accrual method of accounting.

For the Company's financial services division, they record commission income upon the closing of their respective transactions.



## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

### Advertising

Advertising costs are typically expensed as incurred. Advertising expense was approximately \$24,206 and \$169,821 for the years ending September 30, 2004 and 2003, respectively.

### Income Taxes

The income tax benefit is computed on the pretax loss based on the current tax law. Deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates.

F-11

KORE HOLDINGS, INC. AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2004 AND 2003

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Fair Value of Financial Instruments

The carrying amount reported in the consolidated balance sheets for cash and cash equivalents, advances receivable, commissions receivable, accounts payable and accrued expenses approximate fair value because of the immediate or short-term maturity of these financial instruments.

#### Earnings (Loss) Per Share of Common Stock

Historical income (loss) per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share (EPS) includes additional dilution from common stock equivalents, such as stock issuable pursuant to the exercise of stock options and warrants. The Company does not have any warrants or stock options outstanding.

The following is a reconciliation of the computation for basic and diluted EPS:

	2004	2003
	----	----
Net Income (loss)	\$81,194	(\$73,792)
	-----	-----
Weighted- average common shares Outstanding (Basic)	4,919,422	3,919,422

Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

Weighted-average common stock		
Equivalents:		
Stock options	-	-
Warrants	-	-
	-----	-----
Weighted-average common shares		
Outstanding (Diluted)	4,919,422	3,919,422
	=====	=====

Options and warrants outstanding to purchase stock were not included in the computation of diluted EPS for September 30, 2003 because inclusion would have been antidilutive.

F-12

KORE HOLDINGS, INC. AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2004 AND 2003

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill

In June 2001, the FASB issued Statement No. 142 "Goodwill and Other Intangible Assets". This Statement addresses financial accounting and reporting for acquired goodwill and other intangible assets and supersedes APB Opinion No. 17, Intangible Assets. It addresses how intangible assets that are acquired individually or with a group of other assets (but not those acquired in a business combination) should be accounted for in financial statements upon their acquisition. This Statement also addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. This statement has been considered when determining impairment of goodwill in certain transactions. As of September 30, 2003, the Company recognized \$31,840 of goodwill acquired in the Yosemite transaction. There was no recognition of impairment of goodwill during the years ended September 30, 2004 and 2003.

Recent Accounting Pronouncement

On October 3, 2001, the FASB issued Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), that is

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

applicable to financial statements issued for fiscal years beginning after December 15, 2001. The FASB's new rules on asset impairment supersede SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," and portions of Accounting Principles Board Opinion 30, "Reporting the Results of Operations." This Standard provides a single accounting model for long-lived assets to be disposed of and significantly changes the criteria that would have to be met to classify an asset as held-for-sale. Classification as held-for-sale is an important distinction since such assets are not depreciated and are stated at the lower of fair value and carrying amount. This Standard also requires expected future operating losses from discontinued operations to be displayed in the period (s) in which the losses are incurred, rather than as of the measurement date as presently required.

### Reclassifications

Certain amounts for the year ended September 30, 2003 have been reclassified to conform with the presentation of the September 30, 2004 amounts. The reclassifications have no effect on net income for the year ended September 30, 2003.

F-13

KORE HOLDINGS, INC. AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2004 AND 2003

### NOTE 3- PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2004 and 2003:

	2004	2003
	----	----
Wind Farm	\$5,700,000	\$5,700,000
Furniture and fixtures	16,000	16,000
Leasehold improvements	8,885	8,885
Computer and office equipment	119,425	116,293
	-----	-----
	5,844,310	5,841,178
Less: accumulated depreciation	(54,541)	(34,251)
	-----	-----
Net book value	\$5,789,769	\$5,806,927
	=====	=====

Depreciation expense for the years ended September 30, 2004 and 2003 was \$20,290 and \$25,773, respectively. There is no depreciation recognized on the Wind Farm in 2004 or 2003 as it is non operational until placed in service. In the Company's acquisition of Yosemite, they acquired \$55,261 of office and computer equipment.

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

The Company, upon acquisition of the Wind Farm, has classified this asset under property and equipment. The Wind Farm consists of hundreds of non operational turbines located in California. The Company has received independent valuations on the Wind Farm that have valued it in excess of \$14,000,000. The Company would need to spend approximately in excess of \$5,000,000 to bring these assets into operational use, at which time the Company would depreciate them over their estimated useful life of 40 years. Consequently, there is no depreciation recognized on the Wind Farm in 2004 and 2003. The Company did receive miscellaneous scrap parts that have not been valued (salvage) for the consolidated balance sheets, that it sells from time to time, and the Company records the income in their consolidated statements of operations when these sales occur. There were no sales of scrap in 2004.

### NOTE 4- INTANGIBLE ASSET

The Company in November 2003 issued 1,000,000 shares of its common stock valued at \$500,000 for exclusive right to distribute power generators in northern California and Hawaii and other agreed territories. Additionally, the Company received the non-exclusive right to acquire the generators at prevailing wholesale prices for distribution and the non-exclusive license to use the name, trademark and trade names of the manufacturer or distributor of the power generators. The license agreements are being amortized over the five year life. Amortization charged to expense for the year ended September 30, 2004 was \$91,666.

F-14

KORE HOLDINGS, INC. AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2004 AND 2003

### NOTE 5- COMMITMENTS AND CONTINGENCIES

The Company entered into a lease agreement in April 2001 in Pleasanton, California. The Company paid \$2,800 per month for rent. This lease was terminated by the Company in October 2001, and all operations now run through the Oakhurst, California location. The security deposit was expensed as part of a rent payment in 2002.

### NOTE 6- STOCKHOLDERS' EQUITY

#### Common and Preferred Stock

On May 17, 2002, the Company issued 2,000,000 shares of common stock to acquire First Washington and thus it became a wholly-owned subsidiary. The shares were valued at a fair value at the time of the transaction (\$1.50 per share) or \$3,000,000.

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

On January 1, 2003, the Company issued a board resolution for the authorization of a new class of preferred stock, Class B Preferred Stock, no par value. The Company authorized the issuance of 125,000 shares of Class B Preferred Stock.

On July 1, 2003, First Washington issued a board resolution for the authorization of a new class of preferred stock, Class A Preferred Stock, no par value. First Washington authorized the issuance of 500,000 shares of Class A Preferred Stock.

During fiscal 2003, the Company had issued shares of Class B Preferred Stock, only to cancel them later in that fiscal year. As of September 30, 2003, there were no shares of Class B Preferred Stock issued and outstanding.

In July 2003 (effective August 1, 2003), First Washington issued 500,000 shares of the Class A Preferred Stock, to acquire Yosemite Brokerage, Inc. ("Yosemite"). The acquisition was recorded for accounting purposes as a purchase acquisition. The transaction was valued at \$200,000 (\$.40 per share), which included goodwill of \$31,840.

The Company in November 2003 issued 1,000,000 shares of its common stock for an intangible asset (see Note 4). The value for the asset was \$500,000.

F-15

KORE HOLDINGS, INC. AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2004 AND 2003

NOTE 7- RELATED PARTY TRANSACTIONS

On January 1, 2003, the Company entered into a lease agreement for the rental of office space for its home office. An officer of the Company is a partner in the partnership that rents this space to the Company. The lease is a five-year lease with a five-year option, with rent of \$2,750 per month. Rent expense for the year ended September 30, 2003 of \$24,750 was forgiven by the company at September 30, 2003. Rent expense was \$7,419 for the year ended September 30, 2004.

Yosemite Brokerage, rents space from its officer. The lease commenced February 1, 2000 and runs through January 31, 2005. Rent expense for 2004 and 2003 was approximately \$97,564 and \$12,239, respectively.

The President of the Company owns a controlling percentage of the common stock outstanding.

NOTE 8- PROVISION FOR INCOME TAXES

Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

Deferred income taxes will be determined using the liability method for the temporary differences between the financial reporting basis and income tax basis of the Company's assets and liabilities. Deferred income taxes will be measured based on the tax rates expected to be in effect when the temporary differences are included in the Company's consolidated tax return. Deferred tax assets and liabilities are recognized based on anticipated future tax consequences attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax bases.

At September 30, 2004 and 2003, deferred tax assets consist of the following:

	2004 ----	2003 -----
Deferred tax assets	\$343,000	\$425,000
Less: valuation allowance	(343,000)	(425,000)
	-----	-----
Net deferred tax assets	\$ -0-	\$ -0-
	=====	=====

At September 30, 2004 and 2003, the Company had federal net operating loss carryforwards in the approximate amounts of \$1,618,000 and \$1,700,000, respectively, available to offset future taxable income. The Company established valuation allowances equal to the full amount of the deferred tax assets due to the uncertainty of the utilization of the operating losses in future periods.

F-16

KORE HOLDINGS, INC. AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2004 AND 2003

NOTE 9- SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION

First Washington during the year ended September 30, 2003 acquired Yosemite Brokerage, Inc. for 500,000 shares of Preferred Stock Class A with a value of \$200,000 (\$.40 per share).

The following is a summary of the acquisition:

	2003 -----
Cash	\$ 54,820

Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

Commissions receivable	81,211
Fixed assets	55,261
Goodwill	31,840
Liabilities	(23,132)
Additional paid in capital	(200,000)
	-----
	\$ -
	=====

The Company in fiscal 2002, acquired First Washington for 2,000,000 shares of common stock at a value of \$3,000,000 (\$1.50 per share).

NOTE 10-

RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The Company has amended its previously issued consolidated financial statements for the year ended September 30, 2002 on its report dated December 9, 2002. The Company has amended these consolidated financial statements to reclassify a portion of its goodwill acquired in the First Washington Corporation transaction as cash in the amount of \$172,428 and has reclassified \$133,000 previously classified as notes receivable to general and administrative expenses. These transactions resulted in a decrease in net income of \$305,428 to a net loss of \$44,408 and an increase in the accumulated deficit to (\$4,770,083).

In addition for the year ended September 30, 2003, the Company has reclassified \$143,326 previously classified as notes receivable to general and administrative expenses. This transaction resulted in a decrease in net income of \$143,326 to a net loss of \$73,792 and increase in the accumulated deficit to (\$4,843,875).

F-17

KORE HOLDINGS, INC. AND SUBSIDIARIES  
(FORMERLY VOLT INC. AND SUBSIDIARIES)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2004 AND 2003

NOTE 11-

SUBSEQUENT EVENT

On October 16, 2004, Volt, Inc. changed its name to Kore Holdings, Inc. The Company, at that time, increased its authorized common stock B shares to 400,000,000 and its preferred stock to 100,000,000.

Additionally, after the first quarter of 2004, the Company

## Edgar Filing: KORE HOLDINGS, INC - Form 10KSB

closed the Yosemite Brokerage, Inc. office.

F-18

### SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KORE HOLDINGS, INC.  
(Registrant)

/s/ Denis C. Tseklenis  
Chief Executive Officer  
Director  
February 14, 2005

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated

/s/ Denis C. Tseklenis  
Director  
February 14, 2005

/s/ James A. Sharon  
Director  
February 14, 2005

/s/ Bruce Persson  
Director  
February 14, 2005