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ADVANTAGE TECHNOLOGIES GROUP INC  
Form 10QSB/A  
March 12, 2004

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

FORM 10-QSB/A  
Amendment No. 1

(Mark One)

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

For the quarterly period ended June 30, 2003

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

For the transition period \_\_\_\_\_ to \_\_\_\_\_

Commission File number 1-10799

ADDvantage Technologies Group, Inc.  
(Exact name of small business issuer as specified in its charter)

OKLAHOMA  
(State or other jurisdiction of  
incorporation or organization)

73-1351610  
(I.R.S. Employer  
Identification No.)

1605 E. Iola  
Broken Arrow, Oklahoma  
(Address of principal executive office)

74012  
(Zip Code)

(918) 251-9121  
(Registrant's telephone number)

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

Shares outstanding of the issuer's \$.01 par value common stock as of August 12,  
2003 were 10,010,414.

Transitional Small Business Issuer Disclosure Format (Check one):

Yes  No

This Amendment No. 1 to our Quarterly Report on Form 10-QSB for the  
quarter ended June 30, 2003 is being filed for the purpose of amending and  
restating the disclosures under Items 1 and 2 of Part I of Form 10-QSB.

On September 30, 1999, the former shareholders of TULSAT Corporation  
(formerly named DRK Enterprises, Inc.) assumed control of ADDvantage  
Technologies Group, Inc. (formerly named ADDvantage Media Group, Inc.) The  
resulting merger was accounted for as a business combination, with the  
preferred stock issued in the merger recorded as first a reduction of paid-in  
capital in an amount to exhaust the account, and the remainder to retained  
earnings (deficit). Pursuant to Staff Accounting Bulletin Topic 4, the Company

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has revised its accounting for this series of capital transactions.

The net difference from the previous reporting is that goodwill of \$199,490 has been eliminated and the carrying value of common stock has been accordingly reduced. In addition, the amount of retained earnings at merger date has been adjusted to \$0, while additional paid-in capital has been adjusted to report a deficiency of paid-in capital of \$8,411,731. Common stock activity subsequent to this date has been credited to the deficiency of paid-in capital.

## Part I - Financial Information Page ----

### Financial Information:

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### ADVANTAGE TECHNOLOGIES GROUP, INC. CONSOLIDATED BALANCE SHEET June 30, 2003 (Restated)

#### Assets

##### Current assets:

Cash	\$ 422,527
Accounts receivable, net of allowance of \$106,845	3,859,691
Inventories	20,037,953
Deferred income taxes	98,000

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Total current assets	24,418,171
Property and equipment, at cost	
Machinery and equipment	2,040,424
Land and buildings	1,330,188
Leasehold improvements	512,339
	-----
	3,882,951
Less accumulated depreciation and amortization	(1,215,263)
	-----
Net property and equipment	2,667,688
Other assets:	
Deferred income taxes	1,224,326
Goodwill, net of accumulated amortization of \$398,531	1,150,060
Other assets	29,676
	-----
Total other assets	2,404,062
	-----
Total assets	\$ 29,489,921
	=====

See notes to consolidated financial statements.

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ADVANTAGE TECHNOLOGIES GROUP, INC.  
CONSOLIDATED BALANCE SHEET  
June 30, 2003  
(Restated)

Liabilities and Stockholders' Equity	
Current liabilities:	
Accounts payable	\$ 1,776,976
Accrued expenses	537,523
Accrued income taxes	337,101
Bank revolving line of credit	4,451,430
Notes payable - current portion	153,371
Dividends payable	310,000
Stockholder notes	971,385
	-----
Total current liabilities	8,537,786
Notes payable	393,321
Stockholder notes	399,461
Stockholders' equity:	
Preferred stock, 5,000,000 shares authorized, \$1.00 par value, at stated value:	
Series A, 5% cumulative convertible; 200,000 shares issued and outstanding with a stated value of \$40 per share	8,000,000
Series B, 7% cumulative; 300,000 shares issued and outstanding with a stated value of \$40 per share	12,000,000
Common stock, \$.01 par value; 30,000,000 shares authorized; 10,030,414 shares issued	100,304
Paid-in capital	(7,389,197)

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Retained earnings	7,502,410
	-----
	20,213,517
Less: Treasury stock, 20,000 shares at cost	(54,164)
	-----
Total stockholders' equity	20,159,353
	-----
Total liabilities and stockholders' equity	\$ 29,489,921
	=====

See notes to consolidated financial statements.

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ADVANTAGE TECHNOLOGIES GROUP, INC.  
CONSOLIDATED STATEMENTS OF INCOME  
(Restated)

	Three months ended June 30,		Nine months ended June 30,	
	2003	2002	2003	2002
	-----		-----	
Net sales income	\$ 7,169,829	\$ 5,933,542	\$ 21,117,188	\$ 15,557,835
Net service income	1,079,903	893,671	3,400,248	2,698,071
	-----		-----	
Costs of sales	8,249,732	6,827,213	24,517,436	18,255,906
	4,617,887	3,351,194	13,564,660	9,132,552
	-----		-----	
Gross profit	3,631,845	3,476,019	10,952,776	9,123,354
Operating, selling, general and administrative expenses	1,959,213	2,011,821	5,952,408	5,347,862
Depreciation and amortization	64,786	78,214	186,469	222,145
	-----		-----	
Income from operations	1,672,632	1,466,692	5,000,368	3,782,973
Interest expense	49,520	63,625	152,906	178,995
	-----		-----	
Income before income taxes	1,623,112	1,400,573	4,847,462	3,596,497
Provision for income taxes	314,520	545,944	1,475,286	1,299,944
	-----		-----	
Net income	1,308,592	857,123	3,372,176	2,304,034
Preferred dividends	310,000	310,000	930,000	930,000
	-----		-----	
Net income attributable to common stockholders	\$ 998,592	\$ 547,123	\$ 2,442,176	\$ 1,374,034
	=====		=====	
Earnings per share:				
Basic	\$ 0.10	\$ 0.05	\$ 0.24	\$ 0.14
Diluted	\$ 0.10	\$ 0.05	\$ 0.24	\$ 0.14

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See notes to consolidated financial statements.

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ADVANTAGE TECHNOLOGIES GROUP, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Restated)

	Nine months ended June 30,	
	2003	2002
	-----	
Cash Flows from Operating Activities		
Net income	\$ 3,372,176	\$ 2,304,034
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	186,469	222,145
(Benefit) provision for deferred income taxes	(215,326)	134,719
Change in:		
Receivables	(354,393)	77,122
Inventories	(2,453,716)	(1,408,716)
Other assets	(2,818)	66,118
Accounts payable and accrued liabilities	593,330	(121,713)
	-----	
Net cash provided by operating activities	1,125,722	1,273,709
	-----	
Cash Flows from Investing Activities		
Additions to property and equipment	(641,586)	(495,075)
	-----	
Net cash used in investing activities	(641,586)	(495,075)
	-----	
Cash Flows from Financing Activities		
Net (repayments) borrowings under line of credit	(22,251)	520,434
Payments on stockholder loans	(188,503)	(100,000)
Proceeds (repayments) on notes payable	303,405	(5,094)
Payments of preferred dividends	(930,000)	(930,000)
	-----	
Net cash used in financing activities	(837,349)	(514,660)
	-----	
Net (decrease) increase in cash	(353,213)	263,974
Cash, beginning of period	775,740	230,558
	-----	
Cash, end of period	\$ 422,527	\$ 494,532
	=====	
 Supplemental Cash Flow Information		
Cash paid for interest	\$ 152,413	\$ 178,995
Cash paid for income taxes	\$ 1,239,612	\$ 1,630,998

See notes to consolidated financial statements.

NOTES TO CONDENSED FINANCIAL STATEMENTS (Unaudited)

Note 1 - Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial statements and do not include all information and footnotes required by generally accepted accounting principles for complete financial statements.

However, the information furnished reflects all adjustments, consisting only of normal recurring adjustments which are, in the opinion of management, necessary in order to make the financial statements not misleading.

Note 2 - Description of Business

ADDvantage Technologies Group, Inc., through its subsidiaries TULSAT Corporation, ADDvantage Technologies Group of Nebraska, (dba "Lee Enterprise"), NCS Industries Inc. ("NCS"), ADDvantage Technologies Group of Missouri, (dba "Comtech Services"), ADDvantage Technologies Group of Texas, (dba "Tulsat - Texas"), and Tulsat - Atlanta LLC ("Tulsat - Atlanta") (collectively, the "Company"), sells new, surplus, and refurbished cable television equipment throughout North America in addition to being a repair center for various cable companies. The Company operates in one business segment.

Note 3 - Earnings per Share

	Three months ended June 30,		Nine months ended June 30,	
	2003	2002	2003	2002
	-----	-----	-----	-----
	(Restated)	(Restated)	(Restated)	(Restated)
Net income attributable to common stockholders	\$ 998,592	\$ 547,123	\$ 2,442,176	\$1,374,034
Basic and Diluted EPS Computation:				
Weighted average outstanding common shares	10,010,414	9,991,716	10,008,336	9,991,716
Earnings per Share	\$ 0.10	\$ 0.05	\$ 0.24	\$ 0.14

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### Note 4 - Line of Credit, Stockholder Loans, and Notes Payable

At June 30, 2003, a \$4,451,430 balance is outstanding under a \$9.0 million line of credit due June 30, 2004, with interest payable monthly at Chase Manhattan Prime less 1 1/4% (2.75% at June 30, 2003). Borrowings under the line of credit are limited to the lesser of \$7.0 million or the sum of 80% of qualified accounts receivable and 40% of qualified inventory for working capital purposes and \$2.0 million for future acquisitions meeting Bank of Oklahoma credit guidelines. The line of credit agreement provides that the Company's net worth must be greater than \$14.0 million and net income before the payment of preferred dividends greater than \$2.0 million. The line of credit is collateralized by inventory, accounts receivable, equipment and fixtures, and general intangibles.

Cash receipts are applied from the Company's lockbox account directly against the bank line of credit, and checks clearing the bank are funded from the line of credit. The resulting overdraft balance, consisting of outstanding checks, is \$295,226 at June 30, 2003 and is included in the bank revolving line of credit.

Stockholder loans of \$875,000 bear interest at rates that correspond with the line of credit (2.75% at June 30, 2003). The notes are due on demand and are classified as current. Stockholder notes, which were issued for purchases of real estate, total \$495,846. Two of these notes totaling \$432,821 bear interest at 7.5% and are due in monthly payments through 2011. Another note of \$63,025 bears interest at 5.5% and was repaid in July 2003. Notes payable to unrelated parties totaled \$546,692, of which \$118,789 is due in quarterly payments through March 2004, with \$50,000 of this amount bearing interest at 7%. The remaining note of \$427,903 is due in monthly payments through 2013 with interest at 5.5% through 2008, converting thereafter to prime minus 1/4%.

### Note 5 - Income Taxes

During the quarter ended June 30, 2003, the Company reduced its allowance against deferred tax assets by \$443,000. This amount was used to reduce the Company's estimate of its annual effective tax rate, resulting in an effective tax rate of 19% for the fiscal third quarter of 2003 compared to an effective tax rate of 39% for the third quarter of 2002. The change in the allowance against deferred tax assets was made as a result of favorable tax developments during the quarter that improved management's evaluation of the likelihood of realizing those benefits. These favorable tax developments relate to the completion of an Internal Revenue Service ("IRS") examination of the Company's tax return for the year ended September 30, 2000. At issue were certain pre-acquisition Net Operating Loss carryforwards of ADDvantage Media Corporation (with which the Company merged in 1999.) A no-change report issued by the IRS improved the likelihood of realizing these benefits. Consequently, an allowance against this deferred tax asset became unnecessary.

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## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Overview

We specialize in the refurbishment of previously owned cable television ("CATV") equipment and the distribution of new and surplus equipment to CATV

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operators and other broadband communication companies. Within the last two years, we have become distributors for a number of different manufacturers of equipment and other products. It is through our development of these relationships that we have focused our initiative to market our products and services to the larger cable multiple system operators (MSOs). As a result, our overall sales are dramatically up for the first nine months of 2003, while adding approximately \$2.5 million of inventory to further enhance our product offerings. We continue to believe that as cable companies look at expanding their services in key markets and to recover from or address the effects of a slow economy and depressed capital markets, there will be an emphasis on minimizing their costs, thus creating a higher demand for the Company's repair services and surplus-new equipment.

### Results of Operations

Comparison of Results of Operations for the Three Months Ended June 30, 2003 and June 30, 2002

**Net Sales.** Net sales increased \$1.42 million, or 20.8%, to \$8.2 million in the third quarter of fiscal 2003, from \$6.8 million for the same period in fiscal 2002, primarily due to the positive results of our marketing initiatives and distributor relationships discussed in the previous paragraph. New equipment sales were up 95.6% to \$5.8 million for the current period, compared with \$2.94 million for the same period of fiscal 2002. Sales from remanufactured equipment decreased by 37.9% to \$2.35 million for the current period, compared with \$3.78 million in the same period last year. Repair service revenues were up 20.8% to \$1.08 million for the current quarter, compared with \$894,000 for the same period last year. The increase in repair services was due to the continued focus of being a leading repair service provider and the expansion of our repairs sales to our new Atlanta operations which began in June of 2002.

**Costs of Sales.** Costs of sales increased to \$4.62 million for the third quarter of fiscal 2003 from \$3.35 million for the same period of fiscal 2002. The increase was primarily due to the increase in sales for the period.

**Gross Profit.** Gross profit climbed \$156,000 or 4.5% to \$3.63 million for the third quarter of fiscal 2003 from \$3.48 million for the same period in fiscal 2002. The gross margin percentage was 44.0% for the current quarter, compared to 50.9% for the same quarter last year. The percentage decrease was primarily due to an increase in sales of new and surplus equipment which are accompanied by margins lower than that of re-manufactured equipment or repairs.

**Operating, Selling, General and Administrative Expenses.** Operating, selling, general and administrative expenses decreased by \$37,000 in the third quarter of fiscal 2003, to \$1.89 million from \$1.93 million for the same period in 2002, a decrease of 1.9%. The decrease in operating, selling, general and administrative expenses was primarily due to reserving \$62,000 in the third quarter of fiscal 2002 for bad debts associated with the bankruptcy filing by one of our customers.

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**Income from Operations.** Income from operations rose \$206,000, or 14.0%, to \$1.67 million for the third quarter of fiscal 2003 from \$1.47 million for the same period last year. This increase was primarily due to increases in sales to the larger MSOs.

Comparison of Results of Operations for the Nine Months Ended June 30, 2003 and June 30, 2002

**Net Sales.** Net sales increased \$6.26 million, or 34.3%, to \$24.5 million in



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the first nine months of fiscal 2003, from \$18.3 million for the same period in fiscal 2002, primarily due to the positive results of our marketing initiatives and distributor relationships discussed above. New equipment sales were up 95.9% to \$15.8 million for the current period, compared with \$8.1 million for the same period of fiscal 2002. Sales from remanufactured equipment decreased by 15.8% to \$7.9 million for the current period, compared with \$9.4 million in the same period last year. Repair service revenues were up 26.0% to \$3.4 million for the current period, compared with \$2.7 million for the same period last year. The increase in repair services was due to the continued focus of being a leading repair service provider and the expansion of our repairs sales to our new Atlanta operations which began in June of 2002.

Costs of Sales. Costs of sales increased to \$13.6 million for the first nine months of fiscal 2003 from \$9.1 million for the same period of fiscal 2002. The increase was primarily due to the increase in sales for the period.

Gross Profit. Gross profit climbed \$1.83 million or 20.1% to \$11.0 million for the first nine months of fiscal 2003 from \$9.1 million for the same period in fiscal 2002. The gross margin percentage was 44.7% for the current period, compared to 50.0% for the same period last year. The percentage decrease was primarily due to an increase in sales of new and surplus equipment which is accompanied by margins lower than that of re-manufactured equipment or repairs.

Operating, Selling, General and Administrative Expenses. Operating, selling, general and administrative expenses increased by \$648,000 in the first nine months of fiscal 2003, to \$5.8 million from \$5.1 million for the same period in 2002, an increase of 12.7%. The increase in operating, selling, general and administrative expenses was primarily due to the commencement of the operations of TULSAT-Atlanta in June 2002, coupled with an expanding sales force and other added expenses incurred to meet the marketing initiatives described previously.

Income from Operations. Income from operations rose \$1.22 million, or 32.2% to \$5.0 million for the first nine months of fiscal 2003 from \$3.78 million for the same period last year. This increase was primarily due to increases in sales to the larger MSOs.

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### Critical Accounting Policies

Note 1 to the Consolidated Financial Statements in Form 10-KSB for fiscal year 2002 includes a summary of the significant accounting policies or methods used in the preparation of our Consolidated Financial Statements. Some of those significant accounting policies or methods require us to make estimates and assumptions that affect the amounts reported by us. We believe the following items require the most significant judgments and often involve complex estimates.

#### General -----

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. We base our estimates and judgments on historical experience, current market conditions, and various other factors we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are

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not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant estimates and assumptions relate to the carrying value of our inventory and, to a lesser extent, the adequacy of our allowance for doubtful accounts.

### Inventory Valuation

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Inventory consists of new and used electronic components for the cable television industry. Inventory is stated at the lower of cost or market. Market is defined principally as net realizable value. Cost is determined using the weighted average method.

We market our products primarily to MSOs and other users of cable television equipment who are seeking products for which manufacturers have discontinued production, or are seeking shipment on a same-day basis. Our position in the industry requires us to carry large inventory quantities relative to quarterly sales, but also allows us to realize high overall gross profit margins on our sales. Carrying these large inventories represents the Company's largest risk. For individual inventory items, we may carry inventory quantities that are excessive relative to market potential, or we may not be able to recover our acquisition costs for sales we are able to make in a reasonable period.

In order to address the risks associated with our investment in inventory, we regularly review inventory quantities on hand and reduce the carrying value when the loss of usefulness of an item or other factors, such as obsolete and excess inventories, indicate that cost will not be recovered when an item is sold. Demand for some of the items in our inventory has been impacted by recent economic conditions present in the cable industry. We wrote certain items in inventory down to their estimated market values at September 30, 2002, which resulted in a charge to cost of sales of \$1.4 million for fiscal 2002. No inventory write-downs were necessary during the nine months ended June 30, 2003 and 2002. Any significant, unanticipated changes in product demand, technological developments or continued economic trends affecting the cable industry could have a significant impact on the value of our inventory and operating results.

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### Accounts Receivable Valuation

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Management judgments and estimates are made in connection with establishing the allowance for doubtful accounts. Specifically, we analyze the aging of accounts receivable balances, historical bad debts, customer concentrations, customer credit-worthiness, current economic trends and changes in our customer payment terms. Significant changes in customer concentration or payment terms, deterioration of customer credit-worthiness, or weakening in economic trends could have a significant impact on the collectibility of receivables and our operating results. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. At June 30, 2003, accounts receivable, net of allowance for doubtful accounts of \$107,000, amounted to \$3.9 million.

### Goodwill

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In July, 2001, the Financial Accounting Standards Board ("FASB") issued Statements of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). SFAS 142 addresses financial accounting and reporting for acquired goodwill and other intangible assets. SFAS 142 requires, among other things, that companies no longer amortize goodwill, but instead test goodwill for impairment at least annually. SFAS 142 was adopted by the Company on October 1, 2002, the date of the annual impairment review. The Company has completed its transitional impairment testing of goodwill. The results of these tests indicate that goodwill is not impaired as of October 1, 2002. The adoption of this pronouncement had no impact on the Company's carrying value of its goodwill. If SFAS 142 had been adopted in 2002, the Company's earnings would have been improved because of reduced amortization, as described below:

### Goodwill - Adoption of Statement 142

Three Months ended June 30,

	2003	2002
	(Restated)	(Restated)
Reported Net Income	\$ 1,308,592	\$ 857,123
Add back: Goodwill amortization	-	26,007
Adjusted Net Income	\$ 1,308,592	\$ 883,130
Basic and Diluted Earnings per Share:		
Reported Net Income	\$0.10	\$0.05
Add back: Goodwill amortization	-	0.01
Adjusted Net Income	\$0.10	\$0.06

Nine Months ended June 30,

	2003	2002
	(Restated)	(Restated)
Reported Net Income	\$ 3,372,176	\$2,304,034
Add back: Goodwill amortization	-	74,571
Adjusted Net Income	\$ 3,372,176	\$2,378,605
Basic and Diluted Earnings per Share:		
Reported Net Income	\$0.24	\$0.14
Add back: Goodwill amortization	-	-
Adjusted Net Income	\$0.24	\$0.14

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### Income Taxes

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During the quarter ended June 30, 2003, the Company reduced its allowance against deferred tax assets by \$443,000. This amount was used to reduce the Company's estimate of its annual effective tax rate, resulting in an effective tax rate of 19% for the fiscal third quarter of 2003 compared to an effective tax rate of 39% for the third quarter of 2002. The change in the allowance against deferred tax assets was made as a result of favorable tax developments during the quarter that improved management's evaluation of the likelihood of realizing those benefits. These favorable tax developments relate to the completion of an Internal Revenue Service ("IRS") examination of the Company's tax return for the year ended September 30, 2000. At issue were certain pre-acquisition Net Operating Loss carryforwards of ADDvantage Media Corporation (with which the Company merged in 1999.) A no-change report issued by the IRS improved the likelihood of realizing these benefits. Consequently, an allowance against this deferred tax asset became unnecessary.

### Liquidity and Capital Resources

The Company has a line of credit with the Bank of Oklahoma under which we are authorized to borrow up to \$9.0 million at a borrowing rate of 1.25% below Chase Manhattan Prime (2.75% at June 30, 2003). This line of credit will provide the lesser of \$7.0 million or the sum of 80% of qualified accounts receivable and 40% of qualified inventory in a revolving line of credit for working capital purposes and \$2.0 million for future acquisitions meeting Bank of Oklahoma credit guidelines. The line of credit is collateralized by inventory, accounts receivable, equipment and fixtures, and general intangibles and had an outstanding balance at June 30, 2003 of \$4.5 million, due June 30, 2004. We intend to renew the agreement at the maturity date under similar terms.

The Company finances its operations primarily through internally generated funds and a bank line of credit. Quarterly payments of principal for obligations related to the NCS purchase total \$119,000 in the next 12 months. Monthly payments of principal for loans used to purchase buildings total \$71,000 in the next 12 months. A \$60,000 note in conjunction with a building purchase was repaid in July 2003. The Company expects to fund these payments through cash flows from operations.

Stockholder loans include an \$875,000 note, due on demand, bearing interest at the same rate as the Company's bank line of credit. It is not expected that this note will be called within the next year.

### Forward Looking Statements

Certain statements included in this report which are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates, assumptions and beliefs of management; and words such as "expects," "anticipates," "intends," "plans," "believes," "projects", "estimates" and similar expressions are intended to identify such forward looking statements. These forward-looking statements involve risks and uncertainties, including, but not limited to, the future prospects for the business of the Company, the Company's ability to generate or to raise sufficient capital to allow it to make additional business acquisitions, changes or developments in the cable television business that could adversely affect the business or operations of the Company, general economic conditions, the availability of new and used equipment and other inventory and the Company's ability to fund the costs thereof, and other factors which may affect the Company's ability to comply with future obligations. Accordingly, actual results may differ materially from those expressed in the forward-looking

statements.

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PART II - OTHER INFORMATION

OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

- | (a) Exhibit No. | Description   |
|-----------------|---|
| 31.1            | Certification of Periodic Report by Chief Executive Officer and Chief Financial Officer under Section 302 of the Sarbanes Oxley Act of 2002.                                      |
| 32.1            | Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to 8 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

SIGNATURES

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

ADVANTAGE TECHNOLOGIES GROUP, INC.  
(Registrant)

/s/ Kenneth A. Chymiak

-----  
Kenneth A. Chymiak,  
Director and President  
(Principal Executive Officer and  
Principal Financial Officer)

Date: March 12, 2004

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