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FORCE PROTECTION INC
Form 10QSB
August 13, 2004

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

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF
1934
For the quarterly period ended June 30, 2004

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 0-22273

FORCE PROTECTION, INC.
(Exact name of small business issuer as specified in its charter)

Colorado

84-1383888

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

9801 Highway 78, #3, Ladson, SC

29456

(Address of principal executive offices)

(Zip Code)

(843) 740-7015
(Issuer'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 Issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date:

As of June 30, 2004, the Issuer had outstanding 180,079,059 shares of its common stock.

TRANSITIONAL SMALL BUSINESS DISCLOSURE FORMAT (CHECK ONE) YES NO

FORCE PROTECTION INC. AND SUBSIDIARY
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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

REPORT ON REVIEW BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors
Force Protection, Inc. and Subsidiary

We have reviewed the accompanying consolidated balance sheet of Force Protection, Inc., and Subsidiary (formerly known Sonic Jet Performance, Inc.) as of June 30, 2004 and the related statements of consolidated operations for the three and six months ended June 30, 2004 and 2003 and cash flows for the six months ended June 30, 2004 and 2003 included in the accompanying Securities and Exchange Commission Form 10-QSB for the period ended June 30, 2004. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States and standards of PCAOB, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the balance sheet as of December 31, 2003, and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended (not presented herein). In our report dated March 2, 2004, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying balance sheet as of June 30, 2004 is fairly stated in all material respects in relation to the balance sheet from which it has been derived.

/s/ Michael Johnson & Co., LLC
 Michael Johnson & Co., LLC.
 Denver, Colorado
 August 13, 2004

FORCE PROTECTION CONSOLIDATED BALANCE SHEET JUNE 30, 2004 (Unaudited)

ASSETS

Current Assets

Cash		\$ 1,311,6
Accounts receivable.		739,6
Other current assets		128,2
Inventories.		3,419,9

Current Assets		5,599,5

Other Assets

Goodwill		
Fixed Assets, net.		545,1

Total Assets		\$ 6,144,6

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Accounts payable		\$ 1,172,3
Accrued payroll taxes.		22,7
Deferred revenue		724,9
Other accrued liabilities.		156,0

General reserve.		542,3

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Loans payable.	36,7
Current Liabilities.	2,655,1
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Long term liabilities	127,0
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Subordinated notes payable.	
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Shareholder's Equity:	
Common, no par value, 300,000,000 authorized, issued and outstanding 180,079,059.	20,922,5
Preferred, no par value	
Series B convertible preferred (9 shares issued and outstanding)	22,5
Series C convertible preferred (109 shares issued and outstanding)	1,090,0
Retained earnings, Includes 2004 Net Income /(loss).	(24,844,9
Additional Paid-in capital	6,170,9
Warrants	1,5
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Shareholder's equity	3,362,5
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Total Liabilities and Shareholders' Equity.	\$ 6,144,6
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The accompanying notes are an integral part of these financial statements

FORCE PROTECTION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended		Six mo
	June 30,		Ju
	2003	2004	2003
	<hr/>	<hr/>	<hr/>
Revenues	\$ 606,785	\$ 15,578	\$ 703,13
Cost of Sales.	604,684	296,526	836,43
Gross Profit	2,101	(280,949)	(133,30
Operating Expenses:			
Selling, General &			
Administrative	1,343,921	1,673,385	2,992,44
Total Operating Expenses	1,343,921	1,673,385	2,992,44
Loss from Operations	(1,341,820)	(1,954,334)	(3,125,75
Restructuring Expense.	514,499	-	514,49
Profit (Loss) after Restructuring Expense.	(1,856,319)	(1,954,334)	(3,640,25

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Other Income/Expense			
Other Income	(59,810)	477	(45,350)
Interest Expense	(56,830)	(4,133)	(71,000)
Total Other Income (Expense)	(116,640)	(3,656)	(116,370)
Net Loss	\$ (1,972,958)	\$ (1,957,990)	\$ (3,756,620)
Basic loss per share	(0.0130)	(0.008)	(0.030)
Diluted loss per share	(0.0087)	(0.012)	(0.020)
Weighted average common shares outstanding			
Basic	102,851,320	158,473,264	102,851,320
Diluted	153,483,542	250,575,044	153,483,542
	=====	=====	=====