

TUCOWS INC /PA/
Form 10-Q/A
May 23, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

**FORM 10-Q/A
(Amendment No. 1)**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2007

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-32600

TUCOWS INC.

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania
(State or Other Jurisdiction of
Incorporation or Organization)

23-2707366
(I.R.S. Employer
Identification No.)

**96 Mowat Avenue,
Toronto, Ontario M6K 3M1, Canada**
(Address of Principal Executive Offices) (Zip Code)

(416) 535-0123
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

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

As of May 14, 2007, there were 74,750,742 outstanding shares of common stock, no par value, of the registrant.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-Q/A (Amendment) to the Tucows Inc. (the Issuer) Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, filed with the Securities and Exchange Commission on May 15, 2007 (the Form 10-Q), is being filed solely to correct the following inadvertent errors: (1) the pro forma net revenues, net loss and basic loss per common share relating to the three months ended March 31, 2006 disclosed in the table in footnote 3(b) to the Notes to Unaudited Consolidated Financial Statements were misreported; (2) the required disclosure of the Issuers repurchase of its equity securities under Item 2 of Part II was omitted from the Form 10-Q; and (3) the certifications pursuant to 18 U.S.C. Section 1350 provided in Exhibits 32.1 and 32.2 were not currently dated.

Except for correcting the errors noted above, no information included in the Form 10-Q is amended by this Amendment. This Amendment speaks only as of the date of the Form 10-Q and, except as noted above, we have not undertaken to amend, supplement or update any information contained in the Form 10-Q to give effect to subsequent events. This Amendment amends and restates the Form 10-Q in its entirety.

TUCOWS INC.
Form 10-Q Quarterly Report
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PART I.
FINANCIAL INFORMATION

Item 1. Financial Statements

Tucows Inc.
Consolidated Balance Sheets
(Dollar amounts in U.S. dollars)

	March 31, 2007 (unaudited)	December 31, 2006
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,819,984	\$ 6,256,392
Restricted cash	767,785	1,019,423
Accounts receivable, net of allowance for doubtful accounts of \$131,500 as of March 31, 2007 and \$147,500 as of December 31, 2006	3,822,620	2,969,997
Prepaid expenses and deposits	3,121,863	2,394,627
Prepaid domain name registry and other Internet services fees, current portion	23,708,449	22,168,558
Deferred tax asset, current portion	1,000,000	1,000,000
Total current assets	38,240,701	35,808,997
Prepaid domain name registry and other Internet services fees, long-term portion	9,952,103	9,511,341
Property and equipment	6,740,768	5,647,532
Deferred tax asset, long-term portion	2,000,000	2,000,000
Intangible assets (note 4)	18,286,331	18,554,436
Goodwill (note 3)	12,184,867	12,094,817
Investment	353,737	353,737
Cash held in escrow (note 3(a))		694,579
Total assets	\$ 87,758,507	\$ 84,665,439
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	\$ 3,221,473	\$ 2,867,814
Accrued liabilities	2,999,362	2,567,012
Customer deposits	2,968,995	3,144,119
Deferred revenue, current portion	33,787,876	31,658,081
Accreditation fees payable, current portion	841,928	847,325
Total current liabilities	43,819,634	41,084,351
Deferred revenue, long-term portion	14,245,655	13,478,525
Accreditation fees payable, long-term portion	168,677	163,988
Promissory note payable (note 3)	6,000,000	6,000,000
Deferred tax liability (note 3(b))	5,396,000	5,396,000
Stockholders equity (note 9)		
Preferred stock - no par value, 1,250,000 shares authorized; none issued and outstanding		
Common stock - no par value, 250,000,000 shares authorized; 74,713,234 shares issued and outstanding as of March 31, 2007 and 75,978,502 shares issued and outstanding as of December 31, 2006	15,282,470	15,395,381
Additional paid-in capital	49,309,088	50,359,906
Deficit	(46,463,017)	(47,212,712)
Total stockholders equity	18,128,541	18,542,575
Total liabilities and stockholders equity	\$ 87,758,507	\$ 84,665,439

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See accompanying notes to unaudited consolidated financial statements

Tucows Inc.
Consolidated Statements of Operations
(Dollar amounts in U.S. dollars)
(unaudited)

	Three months ended March 31,	
	2007	2006
Net revenues	\$ 17,771,217	\$ 15,287,120
Cost of revenues:		