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NEW ENGLAND ACQUISITIONS INC  
Form 10QSB  
November 15, 2002

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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 September 30, 2002

Commission File Number 333-63432

New England Acquisitions, Inc.  
(Exact name of small business issuer as specified in charter)

Florida 65-1102237  
(State of either jurisdiction of (IRS Employer Identification No.)  
incorporation or organization)

5 Ridge Road, Cos Cob, CT 06807  
(Address of principal executive offices)

203-622-1848  
(Issuer's telephone number)

-----  
(Former name, address and former fiscal year, if changed since last report)

=====  
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

The number of shares of the registrant's only class of common stock outstanding on November 13, 2002 was 3,157,875.

Transitional Small Business Disclosure format (check one):

Yes  No

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TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

PAGE

# Edgar Filing: NEW ENGLAND ACQUISITIONS INC - Form 10QSB

ITEM 1. FINANCIAL STATEMENTS	2
BALANCE SHEET (unaudited) - as of September 30, 2002	2
STATEMENT OF STOCKHOLDERS' EQUITY (unaudited)- For the Period April 18, 2001 (Inception) to September 30, 2002	3
TATEMENT OF NET LOSS (unaudited) -- For the Three and Six Month Periods Ended September 30, 2002 and 2001 and the period from April 18, 2001 (Inception) through September 30, 2002	4
STATEMENTS OF CASH FLOWS (unaudited) -- For the Six Months Periods Ended September 30, 2002 and 2001 and the Period from April 18, 2001 (Inception) through September 30, 2002.	5
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)	6
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION	7
ITEM 3. CONTROLS AND PROCEDURES	9
PART II - OTHER INFORMATION	9
ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS	9
ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K	10
SIGNATURES	10
CERTIFICATION	11

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## PART I FINANCIAL INFORMATION

### Item 1. Financial Statements

#### NEW ENGLAND ACQUISITIONS, INC. (A DEVELOPMENT STAGE ENTERPRISE)

#### BALANCE SHEETS

	March 31, 2002 (Audited)	September 30, 2002 (Unaudited)
	-----	-----
CURRENT ASSETS		
Cash	\$ 100	\$ 100
	-----	-----
Total Current Assets	100	100
OTHER ASSETS		
Restricted Cash	15,000	15,000
	-----	-----
	\$ 15,100	\$ 15,100
	=====	=====

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### LIABILITIES AND STOCKHOLDERS' EQUITY

#### CURRENT LIABILITIES

Accrued expenses	\$ 7,500	\$ 7,500
Due to principal stockholder	20,034	23,584
	-----	-----
Total Cu	27,534	31,084

#### STOCKHOLDERS' EQUITY

Common stock authorized 150,000,000 shares; \$0.00001 par value; issued and outstanding 3,007,500 shares at March 31 and September 30, 2002		
	30	30
Deficit accumulated during De	(12,464)	(16,014)
	-----	-----
Total Stockholders' Equity-Deficit	(12,434)	(15,984)
	-----	-----
	\$ 15,100	\$ 15,100
	=====	=====

See accompanying notes to financial statements.

2

### NEW ENGLAND ACQUISITIONS, INC. (A DEVELOPMENT STAGE ENTERPRISE)

#### STATEMENT OF STOCKHOLDERS' EQUITY For the Period April 18, 2001 (Inception) to September 30, 2002

	Common Stock Number	Amount	Contributed Capital	Accumulated Deficit	Total
	-----	-----	-----	-----	-----
Issuance of shares to offices and directors @\$0.001 per share	200,000	\$ 200	-	-	\$ 200
Effect of 15 to 1 stock split and change of par value to \$.00001 per share	2,800,000	(170)	\$ 170	-	-
Sale of 7,500 shares @\$2.00 per share	7,500	-	15,000	-	15,000
Cost of registration	-	-	(15,170)	(3,364)	(18,534)
Net loss for period	-	-	-	(\$9,100)	(9,100)
Balance March 31, 2002 (audited)	3,007,500	30	-	(12,464)	(12,434)
Net loss for the six month period					

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ending September 30, 2002 (unaudited)	-	-		(3,550)	(3,550)
	-----	-----	-----	-----	-----
	3,007,500	\$ 30	\$ -	(\$16,014)	(\$15,984)
	=====	=====	=====	=====	=====

See accompanying notes to financial statements.

3

NEW ENGLAND ACQUISITIONS, INC.  
(A DEVELOPMENT STAGE ENTERPRISE)

STATEMENT OF NET LOSS

	For the three month Period ended September 30,		For the six month Period ended September 30,	
	2001	2002	2001	2002
	Unaudited	Unaudited	(Unaudited)	(Unaudited)
	-----	-----	-----	-----
GENERAL AND ADMINISTRATIVE EXPENSES				
Professional fees	\$ -	\$ 1,250	\$ -	\$ 3,550
Bank charges	-	-	-	-
	-----	-----	-----	-----
	-	1,250	-	3,550
	-----	-----	-----	-----
NET LOSS FOR THE PERIOD	\$ -	\$ 1,250	\$ -	\$ 3,550
	=====	=====	=====	=====
NET LOSS PER SHARE	\$ -	\$ -	\$ -	\$ (0.00)
	=====	=====	=====	=====
Weighted average number of common Shares Outstanding	-	-	3,000,000	3,007,500
	=====	=====	=====	=====

See accompanying notes to financial statements.

4

NEW ENGLAND ACQUISITIONS, INC.  
(A DEVELOPMENT STAGE ENTERPRISE)

STATEMENT OF CASH FLOWS  
(Unaudited)

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	For the six month Period ended September 30,		Inception To September 30,
	2001	2002	2002
	(Unaudited)	(Unaudited)	
	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period	\$ -	\$ 3,550	\$ (12,650)
Adjustments to reconcile net loss to Net cash provided by (used in)			
Operating activities	-		
Restricted cash	-	-	(15,000)
Accrued expenses	-	-	7,500
Due to principal stockholder	-	3,550	23,584
Net cash Provided by Operating Activities	-	-	3,434
CASH FLOWS FROM FINANCING ACTIVITIES			
Sales of common stock	200	-	15,200
Cost of registering securities	-	-	(18,534)
Net Cash Provided by Financing Activities	200	-	(3,334)
Net increase in Cash	200	-	100
CASH AT BEGINNING OF PERIOD	-	100	-
CASH AT END OF PERIOD	\$ 200	\$ 100	\$ 100
	=====	=====	=====

SUPPLEMENTAL CASH FLOW INFORMATION:

None

See accompanying notes to financial statements.

5

NEW ENGLAND ACQUISITIONS, INC.  
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS  
(Unaudited)

1. Condensed Financial Statements

In the opinion of the Company, the accompanying unaudited condensed financial statements include all adjustments) consisting only of normal recurring accruals) which are necessary for a fair presentation of the results for the periods presented. Certain information and footnote disclosure, normally included in the financial statements prepared in accordance with generally accepted accounting principles, have been

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condensed and omitted. The condensed financial statements should be read in conjunction with the Company's financial statements included in its Annual Report on Form 10-KSB for the year ended March 31, 2002. Reference is also made to Post Effective Amendment Number 5 to the Company's registration statement on Form SB-2. The Company has had no significant operations since inception.

### 2. Subsequent Events

All of the purchasers of 7,500 of shares of the company's common stock in the initial public offering have confirmed their investment.

On October 7, 2002, the Company, through a newly formed wholly owned subsidiary, consummated its Asset and Rights Purchase Agreement with ADM Tronics Unlimited, Inc. to acquire the right to market and sell three different medical products and entered into a manufacturing agreement with ADM Tronics. As a result, the Company issued 150,375 shares of its common stock to ADM Tronics

On November 3, 2002, 3,007,500 shares and \$15,000 were released from the escrow account at Patriot National Bank. The \$15,000, which was previously reflected as restricted cash, has become operating cash.

6

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### Item 2. Management's Plan Of Operation

The following should be read in conjunction with our financial statements and the related note that appear elsewhere in this Quarterly Report.. The discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements.

We have not had any revenues or operations since inception. Our ability to become and continue as a going concern is dependent in significant part upon obtaining additional substantial capital

We have obtained limited rights to sell an ethnic shave cream, a burn lotion and the Aurex-3 device from ADM Tronics Unlimited, Inc. Subject to the availability of sufficient capital, we intend to initially aggressively market the shave cream and the Aurex-3. We have no plans to market the burn lotion. We believe that we will require funding of approximately \$140,000 to aggressively market the products and for working capital during the first year after our acquisition of the products. We believe that we can begin marketing the products within three months from the time we acquire them from ADM Tronics.

We plan to obtain \$150,000 through the private sale of our common stock. We cannot assure you that we will be successful in obtaining any funds or that \$150,000 will be sufficient to fund our initial operations.

If we are successful in obtaining additional capital of \$150,000, we plan to initially utilize a phased communications and distribution strategy to market the ethnic shave cream. We intend to begin with New York City and the Bahamas. In the first phase, a communications piece will be developed and distributed to distribution units and orders will be taken from a website, or by replying to the direct mail campaign. In the second phase, communications will be sent to Philadelphia, Baltimore, Washington, Chicago, Detroit, Houston, Memphis, New Orleans, and, subsequently, Los Angeles. In the third phase, we intend to hire a sales person to visit large distributors to retail stores. Our estimated initial expenditures are \$50,000 for the design and development of our website and its maintenance for the first year, \$2,000 for the purchase of lists, and

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\$15,000 for the development, production and distribution of hard copy and offline mail messages.

7

We also plan to use a similar phased communications and distribution strategy to market the Aurex-3. Our estimated initial expenditures are \$50,000 for the design and development of our website and its maintenance for the first year, and \$15,000 for the development, production and distribution of hard copy and offline mail messages.

If we are only able to obtain additional capital of at least \$70,000, but less than \$140,000, we intend to develop a website and to market the ethnic shave cream and the Aurex-3 through the website and our communications piece. If we are able to obtain additional capital of at least \$140,000, we intend to aggressively market the ethnic shave cream and the Aurex-3.

If we not able to obtain additional capital of at least \$70,000, we intend to market the ethnic shave cream through commissioned sales agents and our sales piece and, to the extent of available capital, engage in additional limited promotional activities.

If we only obtain proceeds of \$50,000 or less, including \$7,500 released to us from the escrow account, the capital will only be sufficient to meet our anticipated capital requirements for less than six months. Even if we are able to obtain additional capital of \$150,000 in addition to the proceeds from the escrow account, we believe that the capital will only be sufficient to meet our anticipated capital requirements for one year. If we exhaust our capital and cannot obtain additional capital, our stockholders can expect to lose all of their investment.

We believe that we can begin marketing products within three months from the time we acquired them from ADM Tronics.

If we cannot obtain any meaningful amounts of capital or if the only funds available to us are those released to us from the escrow account, we will attempt to market the products solely through commissioned sales agents and our sales piece and we will not be able to develop a website. There can be no assurance that we can find suitable sales agents who will work solely on a commission basis or that the products can be sold without any promotional activities on our part, other than the communications piece we intend to develop.

If we do not make minimum royalty payments or purchase certain quantities of products from ADM Tronics within the first year after we acquire its products and continuing in subsequent years, we will lose certain rights of exclusivity. We intend to pay the minimum royalties from revenues derived from sales. We do not know if we will be able to purchase a sufficient number of the Aurex-3 from ADM Tronics to maintain all of the rights we initially receive. We cannot assure you that we will derive any meaningful revenues from the sale of any of the products.

We will reimburse ADM Tronics for an estimated amount of \$4,500 for any tooling or non-recurring engineering services that are required to be secured in support of the manufacturing of our products. Tooling includes molds, plates, screens and other items used to produce components in a manufacturing process. Non-recurring engineering services are services such as drafting, preparation of schematics, evaluations and measurements that are performed prior to manufacturing but are not repeated during the manufacturing process.

8

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We must pay \$25,000 to ADM Tronics in advance of the initiation of production of the burn lotion for ADM Tronics' expenses and establishment of regulatory support and processes for the distribution of the burn lotion by us. If we do not make the payment within one year from the consummation of the transaction with ADM Tronics, we will lose the exclusive rights to the burn lotion. Because we do not have any plans to market the burn lotion, we do not believe that the loss of the exclusive rights would be material to us.

We do not expect to purchase or sell any significant equipment, engage in product research or development and do not expect any significant changes in the number of our employees.

### Item 3. Controls and Procedures.

- (a) The registrant's principal executive officer and principal financial officer has evaluated the effectiveness of the registrant's disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) as of a date within 90 days prior to the filing date of this quarterly report and has concluded that disclosure controls and procedures of the registrant have ensured that material information relating to the registrant, including its consolidated subsidiary, is made known to him by others within those entities, particularly during the period in which this quarterly report is being prepared.
- (b) There were no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.
- (c) Not applicable

## PART II OTHER INFORMATION

### Item 2. Changes in Securities and Use of Proceeds.

- (a), (b), (c) Not applicable.
- (d) The registrant's registration statement on Form SB-2, file number 333-63432, was declared effective on September 28, 2001. The offering commenced on October 31, 2001. Of the 15,000 shares of common stock registered at an aggregate offering price of \$30,000, 7,500 shares were sold for an aggregate of \$15,000. All of the proceeds had been deposited and continued to remain in an escrow account as of September 30, 2002. The expenses of the offering are described in such registration statement.

9

### Item 6. Exhibits And Reports On Form 8-K.

- (a) Exhibits
  - 3.01(a) Articles of Incorporation.\*
  - 3.01(b) Form of Articles of Amendment to Articles of Incorporation.\*\*
  - 3.03 Bylaws.\*



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- 4.01 Form of Specimen Stock Certificate for the Registrant's Common Stock. \*\*
- 10.01 Escrow Agreement of August 3, 2001 between the Registrant and Patriot National Bank.\*\*

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\* Filed as part of registration statement on Form SB-2, File No. 333-63432 and hereby incorporated by reference.

\*\* Filed as part of Amendment No. 1 to registration statement on Form SB-2 and hereby incorporated by reference.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

New England Acquisitions, Inc.

By: /s/ Gary Cella  
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Name: Gary Cella  
Title: Chief Executive Officer and Chief Financial Officer  
Date: November 14, 2002

10

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CERTIFICATION

I, Gary Cella, certifies that:

1. I have reviewed this quarterly report on Form 10-QSB of New England Acquisitions, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. I am the registrant's only certifying officer and am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within

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those entities, particularly during the period in which this quarterly report is being prepared;

- b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures based on my evaluation as of the Evaluation Date;
5. I have disclosed, based on my most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of my most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 13, 2002.

/s/ Gary Cella  
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Gary Cella  
Principal Executive Officer and  
Principal Financial Officer of the Registrant

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND  
CHIEF FINANCIAL OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT  
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I hereby certify that the Quarterly Report of New England Acquisitions, Inc. on Form 10-QSB for the quarterly period ended June 30, 2002, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Quarterly Report fairly presents, in all material respects, the financial condition of New England Acquisitions, Inc

Date: November 14, 2002      /s/ Gary Cella  
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Gary Cella  
Chief Executive Officer and  
Chief Financial Officer

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