NEW ENGLAND ACQUISITIONS INC
Form 10QSB
February 14, 2003

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-QSB

(Mark One)

/x/ Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended December 31, 2002

/ / Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition Period from __________ to ____________

Commission File Number 333-63432

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

Florida
(State of either jurisdiction of incorporation or organization)

65-1102237

(IRS Employer Identification No.)

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)

The number of shares of the issuer's outstanding common stock, which is the only class of its common equity, on February 12, 2003 was 3,157,875.

Transitional Small Business Disclosure format (check one):

Yes_____ No_X___

PART I FINANCIAL INFORMATION

Item 1. - Financial Statements

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

BALANCE SHEETS

	March 31, 2002 (Audited)	December 31, 2002 (Unaudited)
CURRENT ASSETS		
Cash	$100	$9,238
Total Current Assets	100	9,238
OTHER ASSETS		
Restricted Cash	15,000	-
License agreement	-	75,188
	15,000	75,188
	$15,100	$84,426
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accrued expenses	$7,500	$7,500
Due to principal stockholder	20,034	23,584
Total Current liabilities	27,534	31,084
STOCKHOLDERS' EQUITY		
Common stock authorized 150,000,000 shares; $0.00001 par value; issued and outstanding 3,007,500 and 3,157,875 shares at March 31 and December 31, 2002	30	32
Additional paid-in capital	-	75,186
Deficit accumulated during Development Stage	(12,464)	(21,876)
Total Stockholders' Equity-Deficit	(12,434)	53,342
	$15,100	$84,426

See accompanying notes to financial statements.

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

STATEMENT OF STOCKHOLDERS' EQUITY
For the Period April 18, 2001 (Inception) to December 31, 2002

	Number	Amount	Contributed Capital	Accumulated Deficit	Total
Issuance of shares to offices and directors @$.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)
Issuance of shares for purchase of License agreement at $.50 per share	150,375	275,186	75,186	-	75,188
Net loss for the nine month period ending December 31, 2002 (unaudited)	-	-	-	(9,412)	(9,412)
	3,157,875	$32	$75,186	$(21,876)	($53,342)

See accompanying notes to financial statements.

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

STATEMENT OF NET LOSS

	For the three month Period ended December 31, 2001	2002	For the six month Period ended December 31, 2001	2002	In Dec

	Unaudited	Unaudited	(Unaudited)		(Un
GENERAL AND ADMINISTRATIVE EXPENSES	$500	$5,862	$500	$9,412	
	500	5,862	500	9,412	
NET LOSS FOR THE PERIOD	$500	$5,862	$500	$9,412	
NET LOSS PER SHARE	$ -	$ -	$ -	($0.003)	
Weighted average number of common Shares Outstanding	-	-	2,239,475	3,044,166	3,

See accompanying notes to financial statements.

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

STATEMENT OF CASH FLOWS
(Unaudited)

	For the nine month Period Ended December 31 2001	For the nine month Period Ended December 31 2002	Inception To December 31 2002
	(Unaudited)	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period	$ -	($9,412)	($18,512)
Adjustments to reconcile net loss to Net cash provided by (used in) operating activities	-	-	-
Restricted cash	-	-	-
Accrued expenses	-	-	7,500
Due to principal stockholder	-	3,550	23,584
Net cash Provided by Operating Activities	-	(5,862)	12,572
CASH FLOWS FROM FINANCING ACTIVITIES			
Sales of common stock	200	15,000	15,200
Cost	-	-	(18,534)
Net Cash Provided by Financing Activities	200	15,000	(3,334)
Net increase in cash	200	9,138	9,238

CASH AT BEGINNING OF PERIOD	-	100	-
CASH AT END OF PERIOD	$200	$9,238	$9,238

SUPPLEMENTAL CASH FLOW INFORMATION: None

See accompanying notes to financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

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 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 10K-SB for the fiscal year ended March 31, 2002. Reference is also made to the Company's Post Effective Amendment Number 5 to the Company's prospectus dated October 7, 2002 filed pursuant to Rule 424 under the Securities Act of 1933. The Company has had no significant operations since inception.

2. Assets and Rights Agreement

On October 7, 2002, the Company acquired certain rights to market and sell three different products from ADM Tronics Unlimited, Inc.. In connection with the acquisition, the Company issued 150,375 shares of its common stock to ADM Tronics Unlimited, Inc. An aggregate value of $75,188 was assigned to the shares.

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

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 now believe that we can begin marketing products d during the third quarter of 2003. 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.

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.

We are in the advanced stage of negotiation to acquire all of the equity interest in a corporation that intends to shortly open a retail store which will sell and install automobile stereo and security systems. The equity interest is owned by the brother of our president. If we make the acquisition, we anticipate, issuing 100,000 shares of our common stock to the seller. We cannot assure you that the acquisition will be made or, if made, that it will be advantageous to us.

Item 2. Controls and Procedures.

(a) Our principal executive officer and principal financial officer has evaluated the effectiveness of our 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 our disclosure controls and procedures are adequate.

(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) Not applicable

(c) On November 7, 2002, we issued 150,375 shares of our common stock to ADM Tronics Unlimited, Inc. pursuant to our Asset and Rights Purchase Agreement with ADM Tronics Unlimited, Inc. as described in our prospectus dated October 7, 2002 filed pursuant to Rule 424 under the Securities Act of 1933. Reference is made to the prospectus for a description of the Agreement as well as the type and amount of consideration we received. There were no principal underwriters. We claimed an exemption from the registration requirements of the Securities Act of 1933 pursuant to Section 4(2) of that Act inasmuch as no public offering was involved.

(d) During the quarterly period ended December 31, 2002, we utilized approximately $6,000 of the proceeds from our public sale of common stock. Of the foregoing, $2,200 was paid to our president to reimburse him for expenses he had advanced on our behalf and the remainder represented professional fees, web site development costs and administrative costs.

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.*
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.**
99.01	Certification Of Chief Executive Officer And Chief Financial Officer

---

* 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___
Name: Gary Cella
Title: Chief Executive Officer and Chief Financial Officer
Date: February 14, 2003

CERTIFICATION

I, Gary Cella, certify 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 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: February 14, 2003

/s/ Gary Cella

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