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NEW ENGLAND ACQUISITIONS INC
Form 10QSB
November 14, 2003

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-QSB

(Mark One)

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

For the Quarterly Period Ended September 30, 2003

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 November 11, 2003 was 3,570,975.

Transitional Small Business Disclosure format (check one):

Yes_____ No_X____

=====
Item 1. - Financial Statements

NEW ENGLAND ACQUISITIONS, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED BALANCE SHEETS

March 31, September 30,

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| | 2003 ----- | 2003 ----- |
|--|---------------|---------------|
| CURRENT ASSETS | | |
| Cash | \$ 4,283 | \$ 83 |
| Inventory | 4,105 | -- |
| | ----- | ----- |
| Total Current Assets | 8,388 | 83 |
| OTHER ASSETS | | |
| Deferred consulting fee | -- | 32,083 |
| Notes receivable from principal stockholders | -- | 400,000 |
| License agreement | 75,188 | 75,188 |
| | ----- | ----- |
| | \$ 83,576 | \$ 444,697 |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 3,274 | \$ 1,835 |
| Accrued expenses | 2,272 | 10,933 |
| Due to principal stockholder | 31,084 | 41,884 |
| | ----- | ----- |
| Total Current Liabilities | \$ 36,630 | \$ 54,652 |
| STOCKHOLDERS' EQUITY | | |
| Common stock authorized 150,000,000 shares; \$0.00001 par value; issued and outstanding 3,257,875 and 3,570,975 shares at March 31 and September 30, 2003 respectively | 33 | 40 |
| Additional contributed capital | 102,073 | 550,166 |
| Deficit accumulated during Development Stage | (55,160) | (160,161) |
| | ----- | ----- |
| Total Stockholders' Equity | 46,946 | 390,045 |
| | ----- | ----- |
| | \$ 83,576 | \$ 444,697 |
| | ===== | ===== |

See accompanying notes to financial statements.

NEW ENGLAND ACQUISITIONS, INC. AND SUBSIDIARIES
(A Development Stage Enterprise)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For the Period April 18, 2001 (Inception) to September 30, 2003

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| | Common Stock Number | Common Stock Amount | Contributed Capital | Accumulated Deficit | |
|--|------------------------|------------------------|------------------------|------------------------|----|
| Issuance of shares to offices and directors @\$0.001 per share | 200,000 | \$ 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 | -- | |
| Cost of registration | | | (15,170) | \$(3,364) | |
| Net loss for period | | | | (9,100) | |
| Balance March 31, 2002 | 3,007,500 | 30 | -- | (12,464) | |
| Issuance of 150,375 shares for license agreement @\$0.50 per share | 150,375 | 2 | 75,186 | -- | |
| Issuance of 100,000 shares for acquisition of CJC Enterprises of New York, Inc. @ \$0.27 per share | 100,000 | 1 | 26,887 | -- | |
| Net loss for period | | | (42,696) | | |
| Balance March 31, 2003 | 3,257,875 | 33 | 102,073 | (55,160) | |
| Issuance of 100,000 shares for consult- ing fee for Ollie & Partner's LLC @ | | | | | |

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| | | | | |
|---|------------------|-------|------------|---------------------|
| \$0.35 per share | 100,000 | 1 | 34,999 | -- |
| Issuance of 400,000 shares to officers and directors @\$2.00 per share | 200,000 | 4 | 399,996 | -- |
| Issuance of 5,000 shares to principal stockholder | 5,000 | 1 | 4,999 | -- |
| Issuance of 8,100 shares to principal stockholder | 8,100 | 1 | 8,099 | -- |
| Net loss for period | | | | (105,001) |
| Balance September 30, 2003 | <u>3,570,975</u> | \$ 40 | \$ 550,166 | <u>\$ (160,161)</u> |

See accompanying notes to financial statements.

NEW ENGLAND ACQUISITIONS, INC. AND SUBSIDIARIES
(A Development Stage Enterprise)

CONSOLIDATED STATEMENTS OF OPERATIONS

| | For the Three Months Ended September 30, | | For the six Months Ended September 30, | | |
|-------------------------------------|---|--------------------|---|---------------------|-----------|
| | 2002 | 2003 | 2002 | 2003 | |
| | (Unaudited) | | (Unaudited) | | |
| NET SALES | \$ -- | \$ 12,093 | \$ -- | \$ 37,451 | \$ |
| COSTS OF GOOD SOLD | -- | 12,093 | -- | 31,295 | -- |
| GROSS PROFIT | -- | -- | -- | 6,156 | -- |
| GENERAL AND ADMINISTRATIVE EXPENSE: | | | | | |
| Professional fees | \$ 1,250 | \$ 25,265 | \$ 3,550 | \$ 31,160 | \$ |
| Amortization expense | -- | 64,845 | -- | 65,574 | -- |
| Depreciation expense | -- | -- | -- | -- | -- |
| Other administrative expenses | -- | 993 | -- | 14,334 | -- |
| Bank charges | -- | 56 | -- | 89 | -- |
| Total cost and expenses | \$ 1,250 | \$ 91,159 | \$ 3,550 | \$ 111,157 | \$ |
| NET LOSS BEFORE EXTRAORDINARY LOSS | <u>\$ (1,250)</u> | <u>\$ (91,159)</u> | <u>\$ (3,550)</u> | <u>\$ (105,001)</u> | <u>\$</u> |

EXTRAORDINARY LOSS - Discontinued

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| | | | | | |
|--|-------------------|--------------------|-------------------|---------------------|-----------|
| Operation | -- | -- | -- | -- | \$ |
| NET LOSS FOR PERIOD | <u>\$ (1,250)</u> | <u>\$ (91,159)</u> | <u>\$ (3,550)</u> | <u>\$ (105,001)</u> | <u>\$</u> |
| NET LOSS PER SHARE, basic and diluted | <u>\$ --</u> | <u>\$ (0.03)</u> | <u>\$ (0.001)</u> | <u>\$ (0.03)</u> | <u>\$</u> |
| Weighted average number of common shares outstanding | -- | -- | 3,007,500 | 3,490,926 | 3 |

see accompanying notes to financial statements.

NEW ENGLAND ACQUISITIONS, INC. AND SUBSIDIARIES
(A Development Stage Enterprise)

CONSOLIDATED STATEMENT OF CASH FLOWS

| | For the Six Months Ended September 30, | | Incepti Septemb |
|---|---|------------|--------------------|
| | 2003 | 2002 | 2003 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net loss for period | \$ (105,001) | \$ (3,550) | \$ (156,7 |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | | |
| Depreciation expense | -- | -- | 4,8 |
| Amortization of deferred consulting fee | 2,917 | -- | 2,9 |
| Amoritization of license agreement | 62,657 | -- | 62,6 |
| Loss on discontinued operations | -- | -- | 18,1 |
| Changes in operating assets and liabilities: | | | |
| Decrease in inventory | 4,105 | -- | 3,1 |
| (Decrease)increase in accounts payable | (1,439) | -- | 1,8 |
| Increase in accrued expenses | 8,661 | -- | 10,5 |
| Decrease in due to principal stockholders | 15,800 | -- | 46,8 |
| Net Cash (Used In) Provided by Operating Activities | (12,300) | -- | (5,78 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash acquired in acquisition of CJC Enterprises of New York, Inc. | 8,100 | -- | 1,1 |
| Sale of common stock | -- | -- | 23,3 |
| Cost of registering securities | -- | -- | (18,5 |
| Net Cash Provided by (Used In) Financing Activities | 8,100 | -- | 5,8 |
| NET INCREASE IN CASH | (4,200) | -- | 8 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 4,283 | 100 | |
| CASH AND CASH EQUIVALENTS AT | | | |

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| END OF PERIOD | \$ 83 | \$ 100 | \$ 8 |
|--|------------|--------|---------|
| | ----- | ----- | ----- |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | | |
| Non-cash investing and financing activities: | | | |
| Assets acquired for issuance of common stock: | | | |
| License agreement | | | \$ 75,1 |
| | ----- | | ----- |
| Deferred consulting fee | \$ 35,000 | | \$ 35,0 |
| | ----- | | ----- |
| Notes receivable from principal stockholders | \$ 400,000 | | \$400,0 |
| | ===== | | ===== |
| Acquisition of CJG Enterprises of New York, Inc. and allocation of purchase price: | | | |
| Cash | | | \$ 1,1 |
| Inventory | | | 3,1 |
| Equipment and leasehold improvements | | | 23,0 |
| Accrued expenses | | | (41 |
| | | | ----- |
| Net Capitalization | | | \$26,8 |

See accompanying notes to financial statements.

NEW ENGLAND ACQUISITIONS, INC. AND SUBSIDIARIES (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 condensed and omitted. The results of operations for the six months ended September 30, 2003 are not indicative of the results of operations for the year ended March 31, 2004. 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, 2003.

2. Deferred Consulting Fee

On June 11, 2003, the Company entered into a marketing and sales agreement with Ollie & Partners, LLC (O&P) which has agreed to use its "best efforts" in administrative, marketing and creative areas to bring the Company's licensed shave cream and burn lotion to market for a period of four years. Under the agreement, the Company has paid \$4,000 and 100,000 shares of the Company's common stock. To the extent sales exceed \$1,000,000 during the four year period, O&P will be paid 6% of such excess.

3. Stockholders' Equity

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In May 2003, the company issued 100,000 of its common stock to each of the Company's two executive officers who are also the Company's principal stockholders. The purchase price was represented by their one year promissory notes in the amount of \$200,000 each which will be payable at the option of the respective purchaser (a) in cash with interest at the annual rate of 5% or (b) 120% of the shares purchased by the purchaser, subject to customary adjustment in the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off, recapitalization, or other distribution of assets to stockholders.

On June 11, 2003, the Company issued 100,000 shares of its common stock in connection with the Company's agreement with O&P. For purposes of recording the transaction, the stock was valued \$.35 per share based upon a block discount factor.

In June 2003, the Company sold 5,000 shares of its common stock to its President, who is also a principal stockholder, for \$5,000.

In August 2003, the Company sold 8,100 shares of its common stock to its President, who is also a principal stockholder, for \$8,100.

4. Sales and Marketing Agreement On August 25, 2003, the Company entered into an agreement under which its wholly owned subsidiary had been appointed by Repro-Med Systems, Inc. as the exclusive world wide distributor of two gynecological medical devices. The Company will purchase the products from Repro-Med System, Inc. at specified prices. Assuming the Company achieves certain sales levels, the agreement provides for an exchange of each company's common stock. As at September 30, 2003, the Company's sales of the medical devices were \$12,093.

Item 2. Management's Plan Of Operation

The following should be read in conjunction with our financial statements and the related notes that appear elsewhere in this Annual 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. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below.

We have not had any significant revenues since inception. Our sole objective is to become an operating business.

Our ability to become and continue as a going concern is dependent upon obtaining additional substantial capital. Because we have virtually no funds and no commitments which would enable us to obtain funds, we may exhaust our limited financial resources before we are ever able to commence operations.

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. We are reevaluating our plans to market the Aurex-3 and we have no plans to market the burn lotion. We believe that we will require funding of approximately \$200,000 to aggressively market the shave cream and for working capital during the next year.

We plan to obtain \$200,000 through the private sale of our common stock. We cannot assure you that we will be successful in obtaining any funds or that \$200,000 will be sufficient to fund our initial operations. We have not yet begun our efforts to obtain funds.

We have entered into a marketing and promotion agreement with a firm

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specializing in ethnic products. We intend to formulate specific marketing plans when that firm completes its recommendations to us.

In August 2003 we entered into an agreement under which our wholly owned subsidiary has been appointed by Repto-Med Systems, Inc. as the exclusive worldwide distributor of two gynecological medical devices. The devices consist of a Masterson Endometrial Biopsy Kit for in-office physician biopsy sampling procedures and the Thermal Cautery System used designed to be used by physicians for tubal ligation procedures. Because of our lack of funds and experience, Repto-Med has agreed to perform certain functions for us.

Because we did not make minimum royalty payments or purchase certain quantities from ADM Tronics Unlimited, Inc., we have lost certain rights of exclusivity. Although ADM Tronics has verbally agreed to extend the time for such payments and royalties, the terms of the extension have not been finalized and is not evidenced by a written instrument signed by ADM Tronics, no extension is now in effect. We have recently had difficulty in contacting ADM Tronics' President and we cannot assure you that the extension will actually be granted by ADM Tronics or 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 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) 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 our 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) In August 2003, we sold 8,100 shares of our common stock to Gary Cella for \$8,100. 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.

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(d) Not applicable

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

(a) Exhibits

| Exhibit Index | Description |
|---------------|--|
| 3.01(a) | Articles of Incorporation. (1) |
| 3.01(b) | Form of Articles of Amendment to Articles of Incorporation.(2) |
| 3.03 | Bylaws.(1) |
| 4.01 | Form of Specimen Stock Certificate for the Registrant's Common Stock.(2) |
| 4.02 | The New England Acquisitions, Inc. 2003 Incentive Equity Plan(5) |
| 10.01 | Escrow Agreement of August 3, 2001 between the Registrant and Patriot National Bank.(2) |
| 10.02 | Asset and Rights Purchase Agreement of March 21, 2002, by and between ADM Tronics Unlimited, Inc. and the Registrant.(3) |
| 10.03 | Stock Purchase Agreement of February 14, 2003, by and between CJC Enterprises of New York, Inc., Eugene Cella and the registrant.(4) |
| 10.04 | Employment Agreement of February 14, 2003 between CJC Enterprises of New York, Inc., and Eugene Cella.(6) |
| 10.05 | Agreement of June 11, 2003, by and between International Products, Inc., Ollie & Partners, L.L.C. and Ollie Johnson.(7) |
| 10.06 | Agreement of August 25, 2003 by and between International Products, Inc., Andrew I. Sealfon and Repro-Med Systems, Inc. (8) |
| 99.01 | Certification Of Chief Executive Officer and Chief Financial Officer.(9) |

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

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

(3) Filed as part of Post-Effective Amendment No. 2 to registration statement on Form SB-2 and hereby incorporated by reference.

(4) Filed as Exhibit 2.1 to our Current Report on Form 8-K dated February 27, 2003 and hereby incorporated by reference.

(5) Filed as Exhibit 99.1 to our Current Report on Form 8-K dated May 19, 2003 and hereby incorporated by reference.

(6) Filed as Exhibit 10.04 to our Annual Report on Form 10-KSB for the fiscal year ended March 31, 2003 and hereby incorporated by reference.

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- (7) Filed as Exhibit 10.05 to our Annual Report on Form 10-KSB for the fiscal year ended March 31, 2003 and hereby incorporated by reference.
- (8) Filed as Exhibit 99.1 to our Current Report on Form 8-K dated August 26, and hereby incorporated by reference.
- (9) Filed herewith.
- (b) Reports on Form 8-K.

We filed a report on Form 8-K dated August 26, 2003 which reported on Items 5 and 7.

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: November 13, 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

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- 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, 2003

/s/ Gary Cella

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