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NEW ENGLAND ACQUISITIONS INC
Form 10QSB
August 13, 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 June 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 August 13, 2003 was 3,562,875.

Transitional Small Business Disclosure format (check one):

Yes_____ No_X____

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PART I FINANCIAL INFORMATION

Item 1.- Financial Statements

NEW ENGLAND ACQUISITIONS, INC. AND SUBSIDIARIES

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(A DEVELOPMENT STAGE ENTERPRISE)

CONSOLIDATED BALANCE SHEETS

	March 31, 2003	June 30, 2003
	-----	-----
CURRENT ASSETS		
Cash	\$ 4,283	\$ 297
Inventory	4,105	
	-----	-----
Total Current Assets	8,388	297
 OTHER ASSETS		
Deferred consulting fee	34,271	
Notes receivable from principal stockholders	--	400,000
License agreement	75,188	75,188
	-----	-----
	\$ 83,576	\$ 509,756
	=====	=====
 LIABILITIES AND STOCKHOLDERS' EQUITY		
 CURRENT LIABILITIES		
Accounts payable	\$ 3,274	\$ 1,835
Accrued expenses	2,272	10,933
Due to principal stockholder	31,084	23,884
	-----	-----
Total Current Liabilities	\$ 36,630	\$ 36,652
 STOCKHOLDERS' EQUITY		
Common stock authorized 150,000,000		
shares; \$0.00001 par value; issued		
and outstanding 3,562,875 and		
3,257,875 shares at March 31 and		
June 30, 2003 respectively	33	39
Additional contributed capital	102,073	542,067
Deficit accumulated during Development Stage	(55,160)	(69,002)
	-----	-----
Total Stockholders' Equity	46,946	473,104
	-----	-----
	\$ 83,576	\$ 509,756
	=====	=====

See accompanying notes to financial statements.

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

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

	Common Stock Number	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)

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Issuance of 100,000 shares for consult- ing fee for Ollie & Partner's LLC @ \$0.35 per share	100,000	1	34,999	--
Issuance of 200,000 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	--
Net loss for period				(13,842)
Balance June 30, 2003	<u>3,562,875</u>	\$ 39	<u>\$ 542,067</u>	<u>\$ (69,002)</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 June 30,		Inception to June 30,
	2003	2002	2003
NET SALES	\$ 25,358		\$ 38,604
COSTS AND EXPENSES			
Cost of good sold	19,202		25,976
Depreciation expense			4,855
Administrative expenses	19,998	2,300	55,266
Total Costs and Expenses	\$ 39,200	\$ 2,300	\$ 86,097
NET LOSS BEFORE EXTRAORDINARY LOSS	(13,842)	(2,300)	(47,493)
EXTRAORDINARY LOSS - Discontinued Operation			(18,145)

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NET LOSS	\$ (13,842)	\$ (2,300)	\$ (65,638)
NET LOSS PER SHARE, basic and diluted	\$ 0.01	\$ 0.01	\$ (0.02)
Weighted average number of common shares outstanding	3,277,875	3,007,500	3,109,405

see accompanying notes to financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Three Months Ended June 30,		Inception June 200
	2003	2002	200
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for period	\$ (13,842)	\$ (2,300)	\$ (65,638)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation expense			4,800
Amortization of deferred consulting fee	729		700
Loss on discontinued operations			18,100
Changes in operating assets and liabilities:			
Decrease in inventory	4,105		3,100
Decrease in accounts payable	(1,439)		1,800
Increase in accrued expenses	8,661		10,500
Decrease in due to principal stockholders	(2,200)	2,300	28,800
Net Cash (Used In) Provided by Operating Activities	(3,986)		2,500
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash acquired in acquisition of CJC Enterprises of New York, Inc.			1,100
Sale of common stock			15,200
Cost of registering securities			(18,500)
Net Cash Provided by (Used In) Financing Activities			(2,200)
NET INCREASE IN CASH	(3,986)		200
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,283	100	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 297	\$ 100	\$ 200

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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	\$200,000	\$200,0	-----
			=====

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 three months ended June 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) to promote sales of the Company's Ethnic Shaving Cream and Burn Lotion Products (the "Agreement"). O&P is to provide services for a period of four years. In consideration for the services provided, the company (a) paid \$1,000 upon contract signing, (b) agreed to pay an additional \$1,000 per month in each of the following five months; (c) issued 100,000 shares of the Company's common stock and (d) to the extent sales exceed \$1,000,000 during the four year period, agreed to pay to O&P 6% of such excess.

3. Stockholders' Equity

In May 2003, the Company issued 200,000 shares of its common stock each to Gary

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Cella and Jonathan Reisman, the Company's principal stockholders, in exchange for their respective 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) with 120% of the number of 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 to Ollie & Partners, LLC to market and sell certain Company products. The stock was valued by the Company at \$0.35 per share based upon a block discount factor.

In June 2003, the Company sold 5,000 shares of its common stock to Gary Cella, a principal stockholder, for consideration of \$5,000.

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 \$140,000 to aggressively market the shave cream and for working capital during the next year.

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.

We have recently entered into a marketing and promotion agreement with a firm specializing in ethnic products. We intend to formulate specific marketing plans when that firm completes its recommendations to us.

If we do not make minimum royalty payments or purchase certain quantities of products from ADM Tronics Unlimited, Inc. beginning in November 2003, 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 expect to purchase sufficient amounts from ADM Tronics to maintain the rights such rights. ADM Tronics has, however, verbally agreed to extend the time for minimum purchases by us. Because the terms of the extension have not been finalized and are not evidenced by a written instrument signed by ADM Tronics, no extension is now in effect. 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.

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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 by November 2003, 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 are in the process of negotiating the acquisition of rights to sell certain gynecological medical devices from an unaffiliated company. We cannot assure you that our negotiations will succeed. Even if we do acquire the rights, we have no funds with which to promote and sell the devices.

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 May 2003, we sold 100,000 shares of our common stock each to Gary Cella and Jonathan Reisman. In June 2003, we sold 100,000 shares of our common stock to Ollie Johnson and 5,000 shares to Gary Cella. There were no principal underwriters. The consideration for the shares sold to Mr. Johnson is described in the response to Item 1 of our Annual Report on Form 10-KSB for the fiscal year ended March 31, 2003 which response is hereby incorporated by reference. The consideration for the shares sold to Gary Cella and Mr. Reisman in May 2003 is described in Item 5(c) of such Annual Report which response is hereby incorporated by reference. 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 June 30, 2003, we utilized

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approximately \$2,800 of the proceeds from our public sale of common stock. Of the foregoing, \$300 was paid to our corporate secretary to reimburse him for an expense he had advanced on our behalf and the remainder represented professional fees and administrative costs.

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)
99.01	Certification Of Chief Executive Officer and Chief Financial Officer.(7)

- (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 herewith.

(b) Reports on Form 8-K

- (1) We filed an amendment to a report on Form 8-K dated February 27, 2003 which reported Item 5 and 7.
- (2) We filed a report on Form 8-K dated May 19, 2003 which reported Item 5 and 7.
- (3) We filed a report on Form 8-K dated June 6, 2003 which reported Item 5.

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: August 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;

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- 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: August 13, 2003

/s/ Gary Cella

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