

Edgar Filing: GLOBAL ASSETS & SERVICES INC - Form 10QSB

GLOBAL ASSETS & SERVICES INC  
Form 10QSB  
September 21, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10QSB

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

For Quarter Ended -----	Commission File Number -----
June 30, 2004	0-30145 33-41063-A

GLOBAL ASSETS & SERVICES, INC.

-----  
(Exact name of registrant as specified in its charter)

Florida -----	59-3723328 -----
State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
3816 W. Linebaugh Ave., Suite 200, Tampa, FL -----	33624 -----
(Address of principal Executive Offices	Zip Code)

Registrant's telephone number, including area code: (813) 964-1300

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 the filing requirements for at least the past 90 days.

Yes    X        No  
-----        -----

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

24,192,767 as of June 30, 2004

GLOBAL ASSETS AND SERVICES, INC.

(A DEVELOPMENT STAGE COMPANY)  
FINANCIAL STATEMENTS

JUNE 30, 2003  
(UNAUDITED)

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## REPORT ON REVIEW BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Global Assets and Services, Inc.  
Tampa, FL

We have reviewed the accompanying balance sheet of Global Assets and Services, Inc. for June 30, 2004 and the related statement of operations for the three and six-months ended June 30, 2004 and 2003 and the period May 25, 1988 (inception) to June 30, 2004, and cash flows for the six-months ended June 30, 2004 and 2003, and May 25, 1988 (inception) to June 30, 2004, included in the accompanying Securities and Exchange Commission Form 10-QSB for the period ended June 30, 2004. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are unaware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements the Company is in the Development Stage, and will require funds from profitable operations, from borrowing, or from sale of equity securities to executed its business plan. Management's plan in regard to these matters, are also described in Note 2. These factors raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the balance sheet as of December 31, 2003, and the related statements of operations, stockholders' equity and cash flows for the year then ended (not presented herein). In our report dated April 12, 2004, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying balance sheet as of June 30, 2004 is fairly stated in all material respects in relation to the balance sheet from which it has been derived.

/s/ Michael Johnson & Co., LLC  
Michael Johnson & Co., LLC  
Denver, CO  
September 20, 2004

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GLOBAL ASSETS AND SERVICES, INC.

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(A Development Stage Company)  
Balance Sheets  
(Unaudited)

	June 30, 2004
ASSETS:	
Current assets:	
Cash	\$ 270
	-----
Total current assets	270
	-----
TOTAL ASSETS	\$ 270
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY:	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 21,795
Notes Payable - Shareholder	31,363
	-----
Total Current Liabilities	53,158
	-----
Stockholders' Equity:	
Common Stock, \$0.001 Par Value, 100,000,000 shares	31,192
authorized, 31,497,767 shares issued and outstanding	
in 2003, 24,192,767 shares outstanding in 2002	
Additional Paid-In Capital	3,013,958
Deficit accumulated during the development stage	(3,098,038)
	-----
Total Stockholders' Deficit	(52,888)
	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 270
	=====

See Accountants Review Report

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GLOBAL ASSETS AND SERVICES, INC.  
(A Development Stage Company)  
Statements of Operations  
(Unaudited)

Three-Months Ended

Six-Months Ended

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	June 30,		June 30,	
	2004	2003	2004	2003
Revenue				
Revenue	\$ -	\$ -	\$ -	\$ -
(Less) Cost of Sales	-	-	-	-
Total Income	-	-	-	-
Operating Expenses				
Doubtful Accounts	-	-	-	-
Consultant Fees	-	10,000	-	268,299
Legal & Accounting	-	500	-	2,500
Advertising	-	-	-	-
Directors and Officers Fees	-	180,000	-	435,000
Interest Expense	-	-	-	-
Telephone	-	423	-	1,130
Travel	-	-	-	-
Rent	-	2,873	-	2,873
Business Expenses	250	1,859	250	2,743
Total Expenses	250	195,655	250	712,545
Net Loss From Operations	(250)	(195,655)	(250)	(712,545)
Other Income				
Interest Income	-	-	-	-
Net Loss	\$ (250)	\$ (195,655)	\$ (250)	\$ (712,545)
Per Share Information:				
Weighted average number of common shares outstanding	29,292,767	29,292,767	29,292,767	29,292,767
Net Loss per Common Share	*	*	*	*

\* Less than \$.01

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GLOBAL ASSETS AND SERVICES, INC.  
(A Development Stage Company)  
Statements of Cash Flows  
(Unaudited)

Six-Months Ended  
June 30,  
2004 2003

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Cash Flows from Operating Activities:		
Net Loss	\$ (250)	\$ (712)
Issuance of stock for services	-	700
Adjustments to reconcile net loss to cash used in operating activities:		
Increase in accounts payable	-	6
Net Cash Flows Used by Operating Activities	(250)	(6)
Cash Flows from Financing Activities:		
Proceeds from notes - Shareholders	188	5
Issuance of Common Stock for Asset Acquisition	-	
Issuance of Common Stock	-	
Net Cash Flows Provided by Financing Activities	188	5
Net Increase (Decrease) in Cash	(62)	
Cash and cash equivalents - Beginning of period	332	
Cash and cash equivalents - End of period	\$ 270	
Supplemental Disclosure of Cash Flow Information		
Cash paid for Interest	\$ -	
Cash paid for Income Taxes	\$ -	
Non-Cash Transactions		
Common stock issued in exchange for services	\$ -	\$ 700

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GLOBAL ASSETS AND SERVICES, INC.  
(A Development Stage Company)  
Statement of Stockholders' Equity (Deficit)  
June 30, 2004  
(Unaudited)

	Common Stock		Additional
	# of Shares	Amount	Paid-In Capital
	-----	-----	-----
Balance - December 31, 1997	4,397,767	4,397	204,566

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Balance - December 31, 1998	4,397,767	4,397	204,566
Balance - December 31, 1999	4,397,767	4,397	204,566
Balance - December 31, 2000	4,397,767	4,397	204,566
Issuance of stock for services 12/11	3,400,000	3,400	-
Loss for year	-	-	-
Balance - December 31, 2001	7,797,767	7,797	204,566
Issuance of stock for cash 3/28	20,000	20	1,980
Issuance of stock for services 3/28	6,800,000	6,800	673,200
Issuance of stock for services 4/2	1,000,000	1,000	99,000
Issuance of stock for services 6/18	500,000	500	49,500
Issuance of stock for services 7/12	710,000	710	70,327
Issuance of stock for Asset Acquisition 8/12	1,750,000	1,750	654,500
Issuance of stock for services 8/12	590,000	590	58,410
Issuance of stock for cash 9/18	80,000	80	19,920
Issuance of stock for services 10/15	4,945,000	4,945	489,555
Loss for year	-	-	-
Balance - December 31, 2002	24,192,767	24,192	2,320,958
Issuance of stock for services 1/15	2,550,000	2,550	252,450
Issuance of stock for services 3/11	2,550,000	2,550	252,450
Issuance of stock for services 4/20	100,000	100	9,900
Issuance of stock for services 5/28	1,800,000	1,800	178,200
Loss for Year	-	-	-
Balance - December 31, 2003	31,192,767	31,192	3,013,958
Loss for Period	-	-	-
Balance - June 30, 2004	31,192,767	\$ 31,192	\$3,013,958

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GLOBAL ASSETS AND SERVICES, INC.  
Notes to Financial Statements  
June 30, 2004  
(Unaudited)

Note 1 - Presentation of Interim Information:

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In the opinion of the management of Global Assets and Services, Inc., the accompanying unaudited financial statements include all normal adjustments considered necessary to present fairly the financial position as of June 30, 2004 and the results of operations for the three and six-months ended June 30, 2004 and 2003 and for the period May 25, 1988 (inception) through June 30, 2004, and the related cash flows for the six-months ended June 30, 2004 and 2003 and the period May 25, 1988 (inception) through June 30, 2004. Interim results are

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not necessarily indicative of results for a full year.

The financial statements and notes are presented as permitted by Form 10-QSB, and do not contain certain information included in the Company's audited financial statements and notes for the fiscal year ended December 31, 2003.

Note 2 - Going Concern:  
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The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company is in the development stage and has not earned any revenue from operations. The Company's ability to continue as a going concern is dependent upon its ability to develop additional sources of capital or locate a merger candidate and ultimately, achieve profitable operations. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties. Management is seeking new capital to revitalize the Company.

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### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS ----- OF OPERATIONS -----

#### RESULTS OF OPERATIONS FOR QUARTER ENDED JUNE 30, 2004 -----

The Company had no revenues in the quarter in 2004 or 2003. The Company incurred expenses and general and administrative costs for the quarter in 2004 of \$250 compared to \$195,655 in 2003. The Company recorded a net loss in the period in 2004 of (\$250) and a loss of (\$195,655) in 2003. The net loss per share was nominal in the period in 2004 and in 2003. The largest components of the operating expenses in 2003 in the quarter were \$10,000 in consultant fees and \$180,000 in directors and officers fees. In the quarter in 2004, no such expenses were incurred.

#### RESULTS OF OPERATIONS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2004 -----

The Company had no revenues in the six month period in 2004 or 2003. The Company incurred a total of \$250 in expenses in the period in 2004 compared to \$712,545 in the same period in 2003. The significant increase in expenses occurred in 2003 due to the issuance of \$268,299 in stock for consulting fees and the issuance of \$435,000 in stock for officers and directors fees. The Company incurred a loss of (\$250) in the period in 2004 compared to a loss of (\$712,545) in the period in 2003. The net loss per share was nominal in 2004 and in 2003.

The Company expects the trend of losses to continue until it can generate revenues.

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### NEED FOR ADDITIONAL FINANCING

The Company does not have capital sufficient to meet the Company's cash needs, including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934. The Company will have to seek loans or equity placements to cover such cash needs. There is no assurance, however, that without funds it will ultimately allow registrant to carry out any business. The Company's needs for additional financing are likely to increase substantially. The Company will need to raise additional funds to conduct any business activities in the next twelve months.

No commitments to provide additional funds have been made by management or other stockholders. Accordingly, there can be no assurance that any additional funds will be available to the Company to allow it to cover its expenses as they may be incurred. As of the date of this report management does not have any plan for raising additional capital, and does not know if or when it can or will develop a plan.

Irrespective of whether the Company's cash assets prove to be inadequate to meet the Company's operational needs, the Company will compensate providers of services by issuances of stock in lieu of cash.

The Company has no plans for any research and development in the next twelve months. The Company has no plans at this time for purchases or sales of fixed assets which would occur in the next twelve months.

The Company has no expectation or anticipation of significant changes in number of employees in the next twelve months.

The Company's auditor has issued a "going concern" qualification as part of his opinion in the Audit Report. There is substantial doubt about the ability of the Company to continue as a "going concern." The Company has no business, no capital, debt in excess of \$53,370, all of which is current, no cash, no assets, except intangible licenses which are illiquid and no capital commitments. The effects of such conditions could easily be to cause the Company's bankruptcy.

### LIQUIDITY AND CAPITAL RESOURCES

The Company had \$270 cash capital at the end of the period, which is insufficient for any significant operations. The Company will need to either borrow or make private placements of stock in order to fund operations. No assurance exists as to the ability to achieve loans, or make private placements of stock. The Company is seeking capital sources for investment, there is no assurance that sources can be found.

The Company remains in the development stage and, since inception, has experienced significant liquidity problems and has no significant capital resources now and has stockholder's deficit of (\$52,888) approximately at June 30, 2004. The Company has minimal current assets and no other assets at June 30, 2004.

The Company is unable to carry out any plan of business without funding. The Company cannot predict to what extent its current lack of liquidity and capital resources will impair the consummation of a business combination or whether it will incur further operating losses through any business entity which the Company may eventually acquire. There is no assurance that the Company can continue as a going concern without substantial funding, for which there is no source.

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The Company estimates it will require \$25,000 to \$30,000 to cover legal, accounting, transfer and miscellaneous costs of being a reporting company in the next fiscal year. The Company will have a cash shortfall for current annual reporting costs of at least \$25,000 to \$30,000, for which it has no source except shareholder loans or contributions, none of which have been committed.

The Company has no cash for any operations. It will have to make private placements of stock, for which it has no sources, or obtain loans from shareholders, to have any cash for even limited operations. There are no committed loan sources at this time.

### ITEM 3. CONTROLS AND PROCEDURES

Management of the Company has evaluated the effectiveness of the issuer's disclosure controls and procedures as of a date within 90 days prior to the filing date of the report (evaluation date) and have concluded that the disclosure controls and procedures are adequate and effective based upon their evaluation as of the evaluation date.

There were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of the most recent evaluation of such, including any corrective actions with regard to significant deficiencies and material weaknesses.

Trends: The company expects that the trend of no income and ongoing losses will continue in the future until a business operation has been achieved which may afford revenues and potential cash flows. No assurance can be made that any such operation will ever occur.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

None

### ITEM 2. CHANGES IN SECURITIES

None

### ITEM 3. DEFAULT UPON SENIOR SECURITIES

None

### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

### ITEM 5. OTHER INFORMATION

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None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K  
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None

GLOBAL ASSETS & SERVICES, INC.  
(A Development Stage Company)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GLOBAL ASSETS & SERVICES, INC.

Date: September 21, 2004

/s/ Bertram Cutler

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Bertram Cutler, President