

Edgar Filing: WINFIELD FINANCIAL GROUP INC - Form 10QSB

WINFIELD FINANCIAL GROUP INC  
Form 10QSB  
November 10, 2003

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

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: September 30, 2003  
Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 000-50014

WINFIELD FINANCIAL GROUP, INC.

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

Nevada

88-0478644

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
(I.R.S. Employer Identification  
No.)

2770 S. Maryland Parkway, Ste.  
402, Las Vegas, NV

89109

-----  
(Address of principal executive offices)

-----  
(Zip Code)

(702) 731-0030

-----  
(Registrant's telephone number, including area code)

N/A

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

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 such filing  
requirements for the past 90 days.

Yes  No

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APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes [ ] No [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

4,894,150

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WINFIELD FINANCIAL GROUP, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Restated Financial Statements and Unaudited Financial Statements

WINFIELD FINANCIAL GROUP, INC.  
(A Development Stage Company)  
BALANCE SHEET  
September 30, 2003

ASSETS

Cash	\$ 691
	=====

LIABILITIES

Accounts payable	\$ -
	-----

STOCKHOLDERS' EQUITY

Preferred stock; \$.001 par value, 5,000,000 authorized,  
none issued and outstanding  
Common stock, \$.001 par, 20,000,000 shares

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authorized, 4,894,150 shares issued and outstanding	4,894
Paid in capital	120,812
Deficit accumulated during the development stage	(125,015)
	-----
Total Stockholders' Equity	691
	-----
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 691
	=====

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WINFIELD FINANCIAL GROUP, INC.  
(A Development Stage Company)  
STATEMENTS OF EXPENSES  
Three and Nine Months ended September 30, 2003 and 2002 and  
From the period May 2, 2000 (Inception)  
Through September 30, 2003

	Three Months Ended		Nine Months Ended		Inception Through
	2003	2002	2003	2002	2003
	-----	-----	-----	-----	-----
Administrative expenses	\$ 1,380	\$ 58,230	\$ 9,810	\$ 58,316	\$ 125,015
Net loss	\$ (1,380)	\$ (58,230)	\$ (9,810)	\$ (58,316)	\$ (125,015)
	=====	=====	=====	=====	=====
Basic and diluted net loss per common share	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)	
Weighted average common shares outstanding	4,894,150	4,754,397	4,894,150	4,322,717	

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WINFIELD FINANCIAL GROUP, INC.  
 (A Development Stage Company)  
 STATEMENTS OF CASH FLOWS  
 Nine Months Ended September 30, 2003 and 2002 and  
 the Period from May 2, 2000 (Inception)  
 Through June 30, 2003

	2003	2002	Inception Through 2003
	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$ (9,810)	\$ (58,316)	\$ (125,015)
Adjustments to reconcile net loss to cash used in operating activities:			
Stock issued for services			40,000
Changes in:			
Accounts payable	(3,600)		-
Accrued Expenses		1,200	
NET CASH USED IN OPERATING ACTIVITIES	(13,410)	(57,116)	(85,015)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of common stock for cash		77,206	85,706
NET CHANGE IN CASH	(13,410)	20,090	691
Cash balance, beginning	14,101	86	0
Cash balance, ending	\$ 691	\$ 20,176	\$691
	=====	=====	=====

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WINFIELD FINANCIAL GROUP, INC.  
(A Development Stage Company)  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Winfield Financial Group, Inc. ("Winfield") have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in Winfield's latest annual report filed with the SEC on Form 10-KSB. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for fiscal year 2002, as reported in the Form 10-KSB, have been omitted.

Item 2. Management's Discussion and Plan of Operation

Forward-Looking Statements

This Quarterly Report contains forward-looking statements about Winfield Financial Group, Inc.'s business, financial condition and prospects that reflect management's assumptions and beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our management's assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, Winfield Financial Group's actual results may differ materially from those indicated by the forward-looking statements.

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, acceptance of our services, our ability to expand our customer base, managements' ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry.

There may be other risks and circumstances that management may

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be unable to predict. When used in this Quarterly Report, words such as, "believes," "expects," "intends," "plans," "anticipates," "estimates" and similar expressions are intended to identify forward-looking statements, as defined in Section 21E of the Securities Exchange Act of 1934, although there may be certain forward-looking statements not accompanied by such expressions.

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The safe harbors of forward-looking statements provided by Section 21E of the Exchange Act are unavailable to issuers of penny stock. As we issued securities at a price below \$5.00 per share, our shares are considered penny stock and such safe harbors set forth under the Reform Act are unavailable to us.

Winfield Financial Group, Inc. was founded under the laws of the state of Nevada on May 2, 2000.

Since our inception we have devoted our activities to the following:

- \* Raising capital;
- \* Establishing our business brokerage business; and
- \* Developing markets for the services we offer.

We intend to act primarily as a business broker, exclusively representing sellers and advising buyers desiring to acquire businesses. We will target sellers looking to sell their private companies with a sales volume range from \$5 to \$75 million in revenues.

We have conducted our operations since May 2, 2000. We are a developmental stage company. For the period from inception to September 30, 2003, we generated no revenues and had a loss of \$125,015. We had \$691 of cash available as of October 2003. Current expenses are a maximum of \$455 per month, comprised primarily of rent of \$400 and website expenses of \$55 consisting of hosting fees. When we obtained our Nevada real estate license, we began utilizing telephone solicitation at minimal cost in order to secure business listings.

With these overhead expenses we can continue operations for approximately 1 month of operations without additional funds through November 2003. Thereafter, we will need to generate operating revenues or secure other funding on or before December 2003 in the amount of \$5,005 to remain operational until November, 2004 with the current minimum overhead expenses. There are no preliminary or definitive agreements or understandings with any party for such financing, although we have secured a contract for \$67,000 with payment not being made until the ESOP, which is the subject of that contract, actually funds. We cannot predict when, if ever, that will happen. After we begin generating operating revenues, we intend to increase our marketing expenses for potential clients and referring brokers to \$4,700 per month.

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We recently received our real estate license in Nevada and now can generate revenues from our planned business broker activities. We are also pursuing the generation of revenues by providing business valuation and business consulting services which have a shorter realization of revenues than the listing and sales of businesses.

As of September 30 2003, we have not generated any operating revenues. We signed our first consulting agreement on July 15, 2003 for \$67,000 to provide strategic analysis and planning for a client's company goals over the next six months scheduled to be paid on or before January 2004.

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We raised \$77,206 in net proceeds from a Nevada state registered offering in July 2002. After payment made to GoPublicToday.com in the amount of \$48,410, we've been using the remaining \$20,036 in funds to implement our business plan as follows:

Milestone or Step	Expected Manner of Occurrence or Method of Achievement	Date When Step Should be Accomplished	Cost of Completion
-----			
Licenses			
-----			
Apply and obtain Nevada Real Estate License.	File completed Application and Gain Nevada Real Estate Division Approval	Completed June 5, 2003	\$125
-----			
Facilities			
-----			
Locate and Establish Office Facilities.	Review Buildings and sites.	April 2004	\$1,500
-----			
Information Management System			
-----			
[We use the information management system primarily to build and manage our database of potential clients (Sellers and Buyers)]	Utilizing Standard Information	May 2003 Completed	\$1,500



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A) Establish Information management System.	Programs and Hardware. Install Programs and Run Tests.	May 2003 Completed	-0-
B) Implement Information Management System.	Run Audit Reports And Compare to Physical records.	May 2003 Completed	-0-
C) Evaluate Information Management System.	Using Audit Results Adjust	May 2003 Completed	-0-
D) Adjust Information Management System.	Information Management System.		

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Personnel -----	Utilizing Nation-List International, International Business Brokers Association.	January 2004	\$1,100
A) Recruiting Associates. [1]			
B) Training Associates.	First Group of Trained Associates.	February 2003	-0-
C) Evaluating Associates.	Review First Group Associates Results.	March 2004	-0-

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Documents -----	Utilize Standard Forms Approved by Legal.	December 2002 Completed	-0-
A) Design forms, Contracts, Literature and Media Kits.			
B) Print forms, Contracts, Literature and Media Kits.	Obtain Bids and Contract for Printing.	May 2003 Completed	\$290 per month

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Policies -----	Utilizing Standard Policies and Procedures Approved by Legal.	December 2002 completed	-0-
A) Establish Operation Policies And Procedures.	Issue and Distribute Associates' Handbook	December 2003	\$600

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B) Implement  
Operation  
Policies and  
Procedures.

-----  
Marketing WFG [2]  
-----

A) Finalize Plan.	Determine percentage of various Media.	Completed February 2003	-0-
B) Execute Plan Branding WFG	Place Ads and Other Media	January 2003	\$5,000

-----

[1] We will recruit sales associates who have real estate licenses to list and sell our businesses. It is anticipated that a maximum of five sales associates will be recruited in 2004 who may possibly be members of Nation-List International, International Business Brokers Association or other like-kind professional business broker organizations.

[2] Nationlist International, International Business Brokers Association, and Dun and Bradstreet Marketplace list potential businesses that may be our clients. We will obtain information from these sources by purchasing the information from these sources and place it in our database once we become licensed. We will not have any formal contracts, agreements or commitments with these organizations, other than merely purchasing their lists for use by us. We will not have any exclusive arrangements with these organizations. We will not list businesses for sale on websites maintained by these organizations. We will attempt to secure these businesses as clients by contacting them by e-mail, fax, telephone or regular mail. In addition, we will contact other brokers who may have clients we can represent. These businesses are free to list their assets on other websites or with other entities after we acquire the lists.

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In order to become profitable, we will still need to secure additional debt or equity funding. We hope to be able to raise additional funds from an offering of our stock in the future. However, this offering may not occur, or if it occurs, may not rise the required funding. There are no preliminary or definitive agreements or understandings with any party for such financing.

Our ability to continue as a going concern is dependent on our ability to raise funds to implement our planned development;

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however we may not be able to raise sufficient funds to do so. Our independent auditors have indicated that there is substantial doubt about our ability to continue as a going concern over the next twelve months. Our poor financial condition could inhibit our ability to achieve our business plan, because we are currently operating at a substantial loss with no operating history and revenues, an investor cannot determine if we will ever become profitable.

If any of the steps above are not completed as presented in the preceding milestone table, it could delay the overall schedule and eliminate or reduce 2003 revenues.

### Item 3. Controls and Procedures

The Corporation maintains disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the specified time periods. As of the end of the period covered by this report, the Corporation's Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the Corporation's disclosure controls and procedures. Based on the evaluation, which disclosed no significant deficiencies or material weaknesses, the Corporation's Chief Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures are effective as of the end of the period covered by this report. There were no changes in the Corporation's internal control over financial reporting that occurred during the Corporation's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

None

### Item 2. Changes in Securities

None

### Item 3. Defaults upon Senior Securities.

NONE

### Item 4. Submission of Matters to a Vote of Security Holders.

NONE

### Item 5. Other Information.

NONE

Item 6. Exhibits

Exhibit Number	Name and/or Identification of Exhibit
-------------------	---------------------------------------

-----  
3 Articles of Incorporation & By-Laws  
    (a) Articles of Incorporation of the Company.\*  
    (b) By-Laws of the Company.\*

31 Certification

32 Certification

\* Incorporated by reference to the exhibits to the Company's General Form for Registration of Securities of Small Business Issuers on Form 10-SB, and amendments thereto, previously filed with the Commission.

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange

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Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Winfield Financial Group, Inc.

-----  
(Registrant)

By: /s/ Robert W. Burley

-----  
Robert W. Burley  
President, CEO, Principal Financial Officer and Principal  
Accounting Officer

Date: November 4, 2003

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