

Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

NEW MILLENNIUM MEDIA INTERNATIONAL INC
Form 10QSB
May 14, 2001

As filed with the Securities and Exchange Commission on May 14, 2001
Registration No. _____

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For quarter ended March 31, 2001
Commission File Number 0-29195

NEW MILLENNIUM MEDIA INTERNATIONAL, INC.
(Name of Small Business Issuer in Its Charter)

Colorado (7310) 84-1463284

(State or jurisdiction of incorporation or organization) (Primary Standard Industrial Classification Code Number) (I.R.S. Employer Identification No.)

101 Philippe Parkway, Suite 300
Safety Harbor, Florida 34695
(727) 797-6664

(Address and Telephone Number of Principal Executive Offices
and Principal Place of Business)

John D. Thatch, President
New Millennium Media International, Inc.
101 Philippe Parkway Suite 300
Safety Harbor, Florida 34695
(Name, Address and Telephone Number of Agent for Service)

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 [X] No[]

As of March 31, 2001 there were 30,284,314 shares of the Company's common stock issued, outstanding and subscribed.

1

NEW MILLENNIUM MEDIA INTERNATIONAL, INC.

INDEX

Page

Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

Part I	Financial Information.....	5
Item 1	Financial Statements	5
	Condensed Balance Sheet.....	5
	Condensed Statement of Operations.....	6
	Condensed Statement of Cash Flows.....	7
	Notes to the Condensed Financial Statements.....	8
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations.....	9
	Overview.....	9
	Plan of Operations.....	9
	Results of Operations.....	9
	Net Loss.....	10
Item 3	Quantitative and Qualitative Disclosures About Market Risk.....	10
Part II	Other Information.....	10
Item 1	Legal Proceedings.....	10
Item 2	Changes in Securities and Use of Proceeds.....	10
	Common Stock.....	10
Item 3	Defaults Upon Senior Securities.....	10
Item 4	Submission of Matters to a Vote of Security Holders.....	10
Item 5	Other Information.....	11
Item 6	Exhibits and Reports on Form 8-K.....	11
Signatures.....		11

2

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

NEW MILLENNIUM MEDIA INTERNATIONAL, INC.

CONDENSED BALANCE SHEET

	March 31, 2001 (Unaudited)	Dec (A)
	-----	-----
ASSETS		
Current Assets:		
Cash	\$ 3,127	\$
Accounts Receivable	92,868	
Inventories	3,255	
Prepaid Assets	9,096	
	-----	-----
Total Current Assets	108,346	
	-----	-----
Furniture and Equipment-Net	905,036	
	-----	-----
Other Assets		
Other Assets	--	
Goodwill, net of accumulated amortization of \$67,793 and \$79,091, respectively	599,003	
	-----	-----

Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

Total Other Assets	599,003	
	-----	-----
	\$ 1,612,385	\$
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 66,870	\$
Accrued expenses payable	130,766	
Related payables	719,044	
	-----	-----
Total Current Liabilities	916,680	
	-----	-----
Long-term Liabilities	--	
Stockholders' Equity		
Common stock, par value \$.001; 75,000,000 shares authorized, 28,440,614 and 30,284,314 shares issued and outstanding, respectively, 2000 and 2001	30,284	
Preferred stock, par value \$.001; shares authorized, 10,000,000 no shares issued and outstanding	--	
Additional paid in capital	2,789,851	
Deficit	(2,124,430)	(
	-----	-----
Total Stockholders' Equity	695,705	
	-----	-----
	\$ 1,612,385	\$
	=====	=====

3

CONDENSED STATEMENT OF OPERATIONS
(Unaudited)

	For the quarter ended 3/31/01	For the quarter ended 3/31/00
	-----	-----
Income	\$ 143,750	\$ --
Costs and Expenses:		
General and administrative	\$ 201,953	\$ 101,877
Interest expense	11,184	16,000
Depreciation and amortization	35,116	5,998
	-----	-----
Total costs and expenses	248,253	123,875
	-----	-----
Loss from Operations	(104,503)	(123,875)
Net Loss	\$ (104,503)	\$ (123,875)
	=====	=====
Basic Loss Per Common Share	\$ (0.003)	\$ (0.005)
	=====	=====

NEW MILLENNIUM MEDIA INTERNATIONAL, INC.

CONDENSED STATEMENT OF CASH FLOWS
(Unaudited)

	For the Quarter Ended 3/31/01	For the Quarter Ended 3/31/00
	-----	-----
Cash Flows from Operating Activities:		
Net income (loss)	\$ (104,503)	\$ (123,875)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	35,116	5,998
(Increase) decrease in accounts receivable	(76,232)	--
(Increase) decrease in inventories	--	(18,750)
(Increase) decrease in prepaid expenses	--	(5,000)
Increase (decrease) in accounts payable and accrued expenses	42,517	(30,398)
	-----	-----
Net cash provided by (used in) operating activities	(103,102)	(172,025)
	-----	-----
Cash Flows from Investing Activities		
Purchase of goodwill	--	(500)
Purchase of fixed assets	(4,705)	(3,457)
	-----	-----
Net provided by (used in) investing activities	(4,705)	(3,957)
	-----	-----
Cash Flows from Financing Activities		
Proceeds from notes payable - Related	60,934	15,000
Proceeds from common stock transactions	50,000	444,000
	-----	-----
Net cash provided by (used in) financing activities	110,934	459,000
	-----	-----
Increase in cash and cash equivalents	\$ 3,127	\$ 283,018
Cash and cash equivalents at beginning of period	\$ --	\$ 2,063
	-----	-----
Cash and cash equivalents at end of period	\$ 3,127	\$ 285,081
	=====	=====
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	--	--
Cash paid during the year for income taxes	--	--

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

1. Organization and Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information in accordance with rules and regulations of the Securities and Exchange Commission, including Rule 301(b) of Regulation SB and instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements and should be read in conjunction with the Company's Annual Report (Form 10-KSB) for the year ended December 31, 2000. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the quarter ended March 31, 2001 are not necessarily indicative of the results that may be expected for the year ending December 31, 2001. The results of operations for the three months ended March 31, 2001 are not necessarily indicative of the operating results for the full fiscal year or any future period.

2. Going Concern Uncertainty

The Company has incurred recurring operating losses and negative cash flows and has negative working capital. The Company has financed itself primarily through the sale of its stock and related party borrowings. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

There can be no assurance that the Company will be success in implementing its plans, or if such plans are implemented, that the Company will be successful.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern and do not include any adjustments to reflect the possible future effect on the recoverability and classification of assets or the amount and classification of liabilities that might result from the outcome of this uncertainty.

3. Subsequent Events

The Company approved a 1 for 5, reverse stock split, with a resulting decrease in the number of Common Stock authorized from 75,000,000 to 15,000,000 shares at a special Meeting of Stockholders on May 7, 2001.

6

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

Management's discussion and analysis contains various "forward looking statements." Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward-looking terminology such as "may," "expect," "anticipate," "estimate," or "continue" or use of negative or other variations or comparable terminology. We caution that these statements are further qualified by important factors that could cause actual

Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

results to differ materially from those contained in the forward-looking statements, that these forward-looking statements are necessarily speculative, and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements.

The discussion and financial statements contained herein are for the three months ended March 31, 2001 and 2000. The following discussion regarding the financial statements of the Company should be read in conjunction with the financial statements of the Company included herewith.

OVERVIEW

The Company is an operational stage company, heretofore having been considered a development stage company. We have generated cash needs through equity financings and loans from officers and stockholders. As an operational stage company, we have devoted substantially all of our efforts in securing and establishing our business. We have engaged in activities in the advertising business, with revenues generated in the current quarter in comparison to no revenue being generated in the prior year quarter. The primary activity of the Company currently involves two types of visual advertising, the Illumisign-Eyecatcher movable display boards and LED display boards. We retain ownership of both types of these machines and sell the advertising space on a monthly basis. Presently we are reviewing more current models of movable display boards including plasma screen boards that could be loaded and controlled through telephone modem or the Internet.

PLAN OF OPERATIONS

The Company is continuing to devote substantially all of its present efforts to implementing its operational and marketing plans designed to establish new business accounts for its LED display boards and the Illumisign-Eyecatcher static boards. Through much of this first quarter the Company has been negotiating with Carson Jensen Anderson Enterprises, Inc. d/b/a EyeCatcherPlus, the Company's marketing affiliate, to take over "in-house" all future marketing activity. This effort finally came to fruition very recently. As a result, the Company will presently conduct all marketing in-house, but will continue to use the EyeCatcherPlus logo, marketing material and website. We feel that this decision will have the net effect of "cutting out the middle man" and increasing Company revenues.

LIQUIDITY AND CAPITAL RESOURCES

As in the past, our liquidity has been principally supplied by equity financing and loans from related parties. Accounts Receivable have risen considerably; however, management feels that most, if not all, of these receivable are collectable.

RESULTS OF OPERATIONS

Although the Total Costs and Expenses has doubled when compared to the first quarter of 2000, the comparative Net Loss for these two quarters has decreased by 15.6% and the Basic Loss Per Common Share for the same comparative two quarters has decreased from

7

\$(0.005) to \$(0.003), a comparative Basic Loss Per Common Share decrease of 40%. Compared to a year ago, we are now fully staffed and beginning to produce income. We are continuing to concentrate on establishing new business and increasing sales relating to both the IllumiSign Eyecatcher and the mobile LED display truck.

NET LOSS

Net Loss from Operating Activities has decreased \$19,372 for this quarter

Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

compared to the first quarter of 2000, this equates to 15.6%. The same comparison shows a decrease of \$68,924 in Net Cash Used In Operating Activities, a percentage decrease of 40%. This is due in large part to increase in sales and an increase in the accounts receivable. The Net Cash Provided by Financing Activities has decreased considerably for this first quarter compared to the first quarter of 2000. Management feels that this is a good time to limit financing activities and focus on growth through increasing cash flow.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Registrant is a Small business issuer as defined by these Regulations and need not provide the information required by this Item 3.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

The Company was a defendant in a lawsuit filed on November 5, 1999 in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida, Case Number 99-26073 CA 10. January 24, 2001 the parties agreed to a settlement.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.

COMMON STOCK, REVERSE STOCK SPLIT

At a shareholders' meeting held May 7, 2001 a resolution was approved by the shareholders to reverse split all shares of common stock at a ratio of one share for each five shares authorized. As described in the Proxy Statement that was sent to each shareholder prior to the shareholders' meeting. The Company has no plans for the cancellation or purchase of shares of Common Stock from holders of a nominal number of shares following the Reverse Split and has no present intention to take the Company private through Reverse Split or otherwise. Management, in recommending this reverse stock split, feels that this split will increase the marketability of the common stock.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

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

None.

ITEM 5. OTHER INFORMATION.

None.

8

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K (SECT. 249.308 OF THIS CHAPTER).

Financial Statements are incorporated in the body of this report.

No reports on Form 8-K have been filed during the quarter for which this report is filed.

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.

Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

Signed and submitted this 14th day of May 2001.

New Millennium Media International, Inc.
(Registrant)

by: _____
John Thatch as President/CEO