

WINFIELD FINANCIAL GROUP INC
Form 10QSB/A
September 26, 2003

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

(Mark One)

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

For the quarterly period ended: June 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 (I.R.S. Employer Identification
incorporation or organization) 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

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

Indicate by check mark whether the registrant has filed all

Edgar Filing: WINFIELD FINANCIAL GROUP INC - Form 10QSB/A

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

PAGE-1-

WINFIELD FINANCIAL GROUP, INC.

Table of Contents

Page	
	PART I - FINANCIAL INFORMATION 3
	Item 1. Financial Statements
	Balance Sheet 4
	Statement of Operations 5
	Statement of Cash Flows 6
	Notes to Financial Statements 7
	Item 2. Management's Discussion and Plan of Operation 8
	Item 3. Controls and Procedures
	PART II - OTHER INFORMATION
	Item 1. Legal Proceedings
	Item 2. Changes in Securities
	Item 3. Defaults upon Senior Securities.
	Item 4. Submission of Matters to a Vote of Security Holders.
	Item 5. Other Information. 12
	Item 6. Exhibits 12

SIGNATURES	13
CERTIFICATIONS	13

PAGE-2-

PART I - FINANCIAL INFORMATION

Item 1. Restated Financial Statements and
Unaudited Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders
Winfield Financial Group, Inc.
(A Development Stage Company)
Las Vegas, Nevada

We have audited the accompanying balance sheet of Winfield Financial Group, Inc. as of December 31, 2002, and the related statements of operations, stockholders' equity, and cash flows for the six months then ended and the year ended June 30, 2002 and for the period from May 2, 2000 (Inception) through December 31, 2002. These financial statements are the responsibility of Winfield Financial's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Edgar Filing: WINFIELD FINANCIAL GROUP INC - Form 10QSB/A

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Winfield Financial Group, Inc. as of December 31, 2002, and the results of its operations and its cash flows for the six months then ended and the year ended June 30, 2002 and for the period from May 2, 2000 (Inception) through December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements as of December 31, 2002 and for the year then ended have been restated to correct errors as described in Note 6.

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, Winfield has incurred losses of \$115,205 from its inception. Winfield will require additional working capital to develop its business until Winfield either (1) restart operations and achieve a level of revenues adequate to generate sufficient cash flows from operations; or (2) obtain additional financing. These conditions raise substantial doubt about Winfield's ability to continue as a going concern. Management's plans in regard to this matter are also described in Note 2. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Malone & Bailey, PLLC
Houston, Texas
www.malone-bailey.com

March 14, 2003, except for Note 2, which is as of April 23, 2003 and Note 6, which is as of July 22, 2003

PAGE-3-

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

ASSETS

Cash	\$ 6,011
	=====

LIABILITIES

Edgar Filing: WINFIELD FINANCIAL GROUP INC - Form 10QSB/A

Accounts payable \$ 3,940

STOCKHOLDERS' EQUITY

Preferred stock; \$.001 par value, 5,000,000 authorized,
none issued and outstanding
Common stock, \$.001 par, 20,000,000 shares
authorized, 4,894,150 shares issued and outstanding 4,894
Paid in capital 169,222
Deficit accumulated during the development stage (172,045)

Total Stockholders' Equity 2,071

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY \$ 6,011
=====

See accompanying summary of accounting policies and notes
to financial statements.

PAGE-4-

WINFIELD FINANCIAL GROUP, INC.
(A Development Stage Company)
STATEMENTS OF EXPENSES
Three and Six Months Ended June 30, 2003 and 2002 and
Period From May 2, 2000 (Inception)
Through June 30, 2003

	Three Months Ended		Six Months Ended		Inception Through
	2003	2002	2003	2002	2003
	-----	-----	-----	-----	-----
Administrative expenses	\$ 2,742	\$ 43	\$ 8,430	\$ 86	Restated \$ 172,045
	-----	-----	-----	-----	-----
Net loss	\$ (2,742)	\$ (43)	\$ (8,430)	\$ (86)	\$ (172,045)
	=====	=====	=====	=====	=====

Edgar Filing: WINFIELD FINANCIAL GROUP INC - Form 10QSB/A

Basic and diluted net loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average common shares outstanding	4,894,150	4,037,000	4,894,150	4,037,000

See accompanying summary of accounting policies and notes to financial statements.

PAGE-5-

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

	2003	2002	Inception Through 2003
	-----	-----	-----
			Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$ (8,430)	\$ (86)	\$ (172,045)
Adjustments to reconcile net loss to cash used in operating activities:			
Stock issued for services			40,000
Bad debt			48,410
Changes in:			
Accounts payable	340		3,940
NET CASH USED IN OPERATING ACTIVITIES	(8,090)	(86)	(79,695)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of common stock for cash			85,706
NET CHANGE IN CASH	(8,090)	(86)	6,011
Cash balance, beginning	14,101	86	0

Edgar Filing: WINFIELD FINANCIAL GROUP INC - Form 10QSB/A

Cash balance, ending	----- \$ 6,011 =====	----- \$ 0 =====	----- \$ 6,011 =====
----------------------	----------------------------	------------------------	----------------------------

See accompanying summary of accounting policies and notes
to financial statements.

PAGE-6-

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 10KSB. 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 10KSB, have been omitted.

NOTE 2 - RESTATEMENT OF FINANCIAL STATEMENTS

The accompanying financial statements at December 31, 2002 and for the year then ended have been restated to correct an error in the recording of the receivable from Financial Marketing, Inc. ("FMI") to reimburse Winfield for its obligation to GoPublicToday.com. Winfield did not initially record a receivable from FMI for \$48,410 based on the oral understanding for FMI to pay certain fees to GoPublicToday.com. Winfield

Edgar Filing: WINFIELD FINANCIAL GROUP INC - Form 10QSB/A

determined the receivable should be recorded based on the agreement at December 31, 2002. Winfield also determined FMI did not have funds available to pay the subscription receivable and recorded bad debt expense for the year ended December 31, 2002.

The income statement effect of this restatement is to increase the net loss at December 31, 2002 by \$48,410. The \$48,410 was included in bad debt expense. The balance sheet effect was an increase in additional paid in capital of \$48,410 and accumulated deficit of \$48,410 at December 31, 2002.

PAGE-7-

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 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.

PAGE-8-

Edgar Filing: WINFIELD FINANCIAL GROUP INC - Form 10QSB/A

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 development stage company. For the period from inception to June 30, 2003, we generated no revenues and had a loss of \$123,635. We had \$6,011 of cash available as of June 30, 2003. Current expenses are a maximum of \$1,195 per month, comprised primarily of printing costs of \$290, on going computer programming and testing of \$450, rent of \$400 and website expenses of \$55 consisting of hosting fees. When we obtained our Nevada real estate license in June 2003, we began utilizing telephone solicitation at minimal cost in order to secure business listings. With these overhead expenses we can continue operations for approximately 3 months of operations without additional funds through October 2003. Thereafter, we will need to generate operating revenues or secure other funding on or before October 2003 in the amount of \$32,900 to remain operational until April 1, 2004. 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 of \$4,700 per month.

PAGE-7-

We recently received our real estate license in Nevada and now can generate revenues from our planned business broker activities. We hope to generate revenues through business valuation and business consulting services. As of July 17, 2003, we have not generated any operating revenues.

Edgar Filing: WINFIELD FINANCIAL GROUP INC - Form 10QSB/A

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.

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.	September 2003	\$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
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	Information Management System.		

Edgar Filing: WINFIELD FINANCIAL GROUP INC - Form 10QSB/A

Management
System.

PAGE-8-

Personnel			

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

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

A) Establish Operation Policies And Procedures.	Utilizing Standard Policies and Procedures Approved by Legal.	December 2002 completed	-0-
B) Implement Operation Policies and Procedures.	Issue and Distribute Associates' Handbook	August 2003	\$600
Marketing WFG [2]			

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

(Sellers & Buyers)	Utilizing Wall Street Journal, BizBuySell.com,	Begun June 2003	\$1,000

Edgar Filing: WINFIELD FINANCIAL GROUP INC - Form 10QSB/A

A) Implement International Business
 Client Search. Brokers
 Association our internal
 database.

PAGE-9-

B) Implement Direct Mail Campaign to businesses set forth in acquired lists of potential clients.	Utilizing I-Market and Other Lists for which contain information about potential business buyers and sellers. Working with Sellers and Buyers To Structure Deals.	August 2003	\$4,300
--	---	-------------	---------

C) Servicing Clients.	Nevada Real Estate License obtained June 5, 2003, begun soliciting businesses to sell	-0-
--------------------------	---	-----

Internet -----			
Complete WFG Web Site.	Design and Install WFG Web Site.	December 2002 Completed	

Add additional services Pages to Website	Begin the Marketing and Selling Business	September 2003	\$850
--	---	----------------	-------

[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 2003 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

Edgar Filing: WINFIELD FINANCIAL GROUP INC - Form 10QSB/A

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.

PAGE-10-

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; 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

Based on their most recent evaluation, which was completed as of the end of the period covered by this periodic report on Form 10-QSB, the Company's Chief Executive Officer and Chief Financial Officer believe the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) are effective to ensure that information required to be disclosed by the Company in this report is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. During the fiscal quarter to which this report relates, there were no significant changes in the Company's internal controls or other factors that could significantly affect these controls subsequent to the date of their evaluation and there were no corrective actions with regard to significant deficiencies and material weaknesses.

PAGE-11-

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.

PAGE-12-

SIGNATURES

Pursuant to the requirements of the Securities and Exchange 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: September 25, 2003