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BRL HOLDINGS INC
Form 10QSB
November 18, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

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 No. 000-15260

BRL Holdings, Inc.
(Exact name of small business issuer as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

88-0218411
(Internal Revenue Service
Employer Identification No.)

200 Perimeter Road, Manchester, NH 03103
(Address of principal Executive offices including Zip Code)

(603) 641-8443
Issuer's telephone number, including area code

Former name, former address and formal 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. (1) Yes X No (2) Yes X No

Indicate the number of shares outstanding of each of the issuer's classes
of common stock, as of the last practicable date 62,193,302 shares of common
stock, par value \$.01 per share as of November 14, 2003.

Transitional Small Business Disclosure Format (Check One) Yes No X

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BRL Holdings, Inc.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statement

BRL HOLDINGS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED BALANCE SHEETS

September
30, 2003
(Unaudited)

ASSETS

Current Assets:

Cash	\$	1,318
Other receivables		19,500
Prepaid expenses and other current assets		-

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Total current assets	20,818	-----
Other assets - investments	2,717	-----
Total assets	\$ 23,535	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCIES)		
Current liabilities:		
Accounts payable	\$ 275,332	
Accounts payable - related party	20,687	
Accrued expenses	571,379	-----
Total current liabilities	867,398	-----
Total liabilities	867,398	-----
Stockholders' equity (Deficiency):		
Common stock of \$.01 par value, 50,000,000 shares authorized, 49,906,220 Issued and outstanding at September 30, 2003 and June 30, 2003	499,062	
Additional paid-in capital	7,826,135	
Development stage accumulated deficit	(825,437)	
Accumulated deficit prior to development stage activities	(8,102,149)	-----
	(602,389)	
Deferred offering costs	(241,474)	-----
Total Stockholder's Equity (Deficiencies)	(843,863)	-----
Total liabilities and stockholders' equity (deficiencies)	\$ 23,535	=====

The accompanying notes are an integral part of the financial statements.

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BRL HOLDINGS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended September 30, 2003 and 2002 and
From inception (September 17, 2002) to September 30, 2003
(Unaudited)

	Three Months Ended September 30, (Unaudited)		Fr (Septe Sept
	2003	2002	
	-----	-----	
Revenues	\$ -	\$ -	
Cost of goods sold	-	-	
Gross profit	-----	-----	
	-	-	

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Costs and expenses:		
General and administrative	155,009	38,882
Research and development	-	-
	-----	-----
Total costs and expenses	155,009	38,882
	-----	-----
Loss from operations	(155,009)	(38,882)
	-----	-----
Other Income (Expenses):		
Loss from investee	-	-
Gain from settlement of liabilities	361,962	
Loss from investments	-	-
Other income (expense)	-	-
	-----	-----
Total other income (cost)	361,962	-
	-----	-----
Net Income (loss)	\$ 206,953	\$ (38,882)
	=====	=====
Weighted average shares	49,906,220	5,950,673
Basic and fully diluted loss per share	\$ 0.01	\$ (0.01)

The accompanying notes are an integral part of the financial statements.

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BRL HOLDINGS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the three Months Ended September, 2003 and 2002 and from
Inception (September 17, 2002) to September 30, 2003
(Unaudited)

	Three Months Ended September 30,	
	2002	2001
	----	----
Cash flows from operating activities:		
Net (loss)/Gain	\$ 206,953	\$ (38,822)
Adjustments to reconcile net loss to net cash used in development activities:		
Depreciation and amortization	-	-
Net effect of subsidiary transaction	-	-
Common stock issued in acquisition of subsidiary	-	-
Common stock issued in exchange for services rendered	-	-
Deferred offering costs	(241,474)	
(Increase) Decrease in current assets:		
Other receivables	-	(764)
Prepaid expenses and other current assets	-	525
Increase (Decrease) in current liabilities:		
Accounts payable	23,142	36,807
Accrued expenses	12,608	1,500
	-----	-----
Net cash used in operating activities	1,229	(754)
	-----	-----

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Cash flows from investing activities:

Investment	-	-
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Net cash used in investing activities	----- -	----- -
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Cash flows from financing activities:

Issuance of common stock, net	-	-
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Net cash provided by investing activities	----- -	----- -
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Net increase (decrease) in cash	1,229	(754)
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Cash at beginning of period	89	
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----- 1,148

Cash at end of period	\$ 1,319	\$ 394
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Supplemental Disclosures of Cash Flow Information:

Cash paid during the period for:

Interest	\$ -	\$ -
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Income taxes	\$ -	\$ -
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Supplemental Schedule of Non cash Investing and Financing Activities:

For the period ended September 30, 2003:	241,474	
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For the period ended September 30, 2002	None	
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The accompanying notes are an integral part of these unaudited consolidated financial statements.

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BRL HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
SEPTEMBER 30, 2003

Note 1 - Basis of presentation

The accompanying unaudited consolidated financial statements have been prepared from the books and records of BRL Holdings, Inc., (the "Company" or "BRL" formerly Biorelease Corp or Biorelease). As discussed in Notes 1 to the consolidated financial statements of the Company included in its filing on Form 10-KSB for the year ended June 30, 2003 and in Note 2 hereunder, as of the consummation of the acquisition of Element 21 Golf Company on September 17, 2002, the reporting entity changed from the Company to Element 21 Golf Company. These statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Rule 310 of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements and should be read in conjunction with the Company's audited financial statements at and for the fiscal year ended June 30, 2003. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended September 30, 2003 are not necessarily indicative of the results that may be expected for the year ended June 30, 2004.

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Note 2 - Gain on settlement of liabilities

During the quarter, certain consultants, vendors and related parties adjusted and forgave debts owed for certain past services in the aggregate of \$361,962. The gain on the settlement of these debts has been recorded in the current quarter as settlement of liabilities.

Note 3- Subsequent Events

Pursuant to the 8-K/A-2 filed October 17, 2003 the Company changed its name from BRL Holdings, Inc. to Element 21 Golf Company, increased its authorized common stock from 50M to 100M shares and consented to the spin-off of its subsidiaries, Tech Ventures, Inc. and Advanced Conductor Technologies, Inc. as a dividend of 100% of the Company's ownership in those subsidiaries. The spin-off will only occur after the compliance with Security and Exchange Commission regulations.

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On October 21, 2003 the Company issued 12,287,082 shares of its common stock in settlement of liabilities of \$406,972. Of these shares 9,422,857 shares were registered on Form S-8 for services in the aggregate of \$ 165,498 rendered by consultants to the Company. The remaining 2,864,225 shares, valued at \$241,474 were issued for financing activities and were issued under Rule 144 of the Securities Exchange and Commission Act of 1934. All of these shares are subject to a leak-out and lock-up agreement between the Company and the individuals receiving said shares.

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ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Plan of Operation

During the coming months, subject to raising additional capital of which we cannot be assured, we plan to complete the develop and market scandium alloy golf clubs, based upon the technology we acquired in the Element 21 Acquisition. We anticipate seeking one or several existing companies already marketing gold products to partner with in establishing the Element 21 brand and offering Element 21 golf clubs. The Company is also in discussions with several infomercial producers and media management companies to support the roll out of the Element 21 golf clubs subject to raising significant additional funds. We have not fully completed evaluation of our business plan in this respect, so we are unable to be specific as to schedule. In any event, we will need substantial funds, in either equity or debt investments, or partners, who can fund our planned product roll out. There are no definitive arrangements or understandings with anyone to provide this required funding.

During the next 3 months, other than funds directed into this product roll out plan, our only foreseeable additional cash requirements will relate to maintaining our Company in good standing as a publicly traded company or the payment of expenses associated with reviewing or investigating specifics of the roll out plan. Our Company may be required to sell shares of our common stock to "accredited" or "sophisticated" investors or borrow from members of management, as we have done in the past for the payment of expenses related to these

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matters.

Results of Operations

The Company had no operations other than those associated with formulating a strategic plan to design, develop and market scandium alloy golf clubs, based upon the technology we acquired in the Element 21 Acquisition. We have not yet committed to a specific plan and accordingly we have not yet determined the amount of capital that will be required to implement such.

Three Months Ended, September 30, 2003 and 2002

For the three months ended September 30, 2003 the Company including its subsidiaries, had no revenues, administrative expenses of \$155,009, gain on settlement of liabilities of \$361,962 yielding a net profit of \$206,953 as compared to the three months ended September 30, 2002, wherein the Company had no operations, no

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revenues and incurred general and administrative expenses of \$38,882 resulting in a net loss of \$38,882.

Liquidity.

At September 30, 2003, our current assets were \$20,818, our total assets were \$23,535 and we had total current liabilities of \$867,398 resulting in a stockholder's deficit of \$843,863. In order to meet its expenses during the next 12 months, management expects that we may be required to sell shares of our common stock to "accredited" or "sophisticated" investors or borrow from members of our management, as we have done in the past, to pay required expenses.

Liquidity and Capital Resources

From inception until the closing of the Reorganization, the Subsidiary's primary source of funds has been the proceeds from private offerings of its Common and Preferred Stock and advances from affiliates and management of the Company. Since the Reorganization, the primary source of current capital for operations has been the proceeds of stock issuances and advances from related parties.

Dividend Policy

The Company has not declared or paid any cash dividends on its common stock since its inception and does not anticipate the declaration or payment of cash dividends in the foreseeable future. The Company intends to retain earnings, if any, to finance the development and expansion of its business. Future dividend policy will be subject to the discretion of the Board of Directors and will be contingent upon future earnings, if any, the Company's financial condition, capital requirements, general business conditions and other factors. Therefore, there can be no assurance that dividends of any kind will ever be paid.

Effect of Inflation

Management believes that inflation has not had a material effect on its operations for the periods presented.

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Item 3. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Our President and Secretary/Treasurer have evaluated our Company's disclosure controls and procedures as of November 14, 2003, and they concluded that these controls and procedures are effective.

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(b) Changes in Internal Controls

There are no significant changes in internal controls or in other factors that could significantly affect these controls subsequent to November 14, 2003.

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PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is a party to litigation as a result of a third party sending stock alert information about the Company to investors with the State of Missouri. The expected cost of this litigation is estimated to be minimal and has not been accounted for or reserved in these financial statements. The Company's counsel anticipates that the case is without merit and that the case will be settled in favor of the Company.

Item 2. Changes in Securities

None

Item 3. Defaults Upon Senior Securities

None; not applicable

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

None; not applicable

Item 5. Other Information.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

None.

(b) Reports on Form 8-K.

None

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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.

BRL Holdings, INC

Date: November 18, 2003

/s/ Nataliya Hearn, Ph.D.

Nataliya Hearn, Ph.D.
President and Director

Date: November 18, 2003

/s/ Jim Morin

Jim Morin
Secretary/Treasurer,
CFO and Director

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