FUEL CENTERS INC
Form 10QSB
May 20, 2003

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

FORM 10-QSB

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2003

[ ] 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: 000-33321

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

Nevada	33-0967648
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

9323 Vista Serena, Cypress, California 90630
(Address of principal executive offices)

(714) 220.1806
(Issuer's Telephone Number)

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practical date. As of May 19, 2003, there were 12,550,450 shares of the issuer's $.001 par value common stock issued and outstanding.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FUEL CENTERS, INC.

FINANCIAL STATEMENTS

MARCH 31, 2003 AND 2002

FUEL CENTERS, INC.

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FUEL CENTERS, INC.

BALANCE SHEET

MARCH 31, 2003 AND 2002

(UNAUDITED)

ASSETS

CURRENT ASSETS	
Cash	$ 135
Interest receivable	35,308
Total current assets	35,443
OTHER ASSETS	---
Total assets	$ 35,443

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 34,481
Total current liabilities	34,481
STOCKHOLDERS' EQUITY	
Preferred stock, $.001 par value; Authorized shares -- 5,000,000 Issued and outstanding share -- 0	
Common stock, $.001 par value; Authorized shares-- 50,000,000 Issued and outstanding shares-- 12,550,450	12,550
Additional paid-in capital	41,560
Accumulated deficit	(53,148)
Total stockholders' equity	962
Total liabilities and stockholders' equity	$ 35,443

See accompanying notes to financial statements.

FUEL CENTERS, INC.

STATEMENTS OF OPERATIONS

MARCH 31, 2003 AND 2002

(UNAUDITED)

	March 31, 2003	March 31, 2002
NET REVENUES	$ ---	$ ---
OPERATING EXPENSES		
Consulting services	---	9,087
Legal and professional fees	10,709	1,175
Occupancy	605	605
Office supplies and expense	48	1,086
Total operating expenses	11,362	11,953
LOSS FROM OPERATIONS	(11,362)	(11,953)
PROVISION FOR INCOME TAX EXPENSE (BENEFIT)	---	---
NET LOSS/COMPREHENSIVE LOSS	$ (11,362)	$ (11,953)
NET LOSS/COMPREHENSIVE LOSS PER COMMON SHARE-- BASIC AND DILUTED	$ (---)	$ (---)
WEIGHTED AVERAGE OF COMMON SHARES-- BASIC AND DILUTED	12,550,450	6,005,000

See accompanying notes to financial statements

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FUEL CENTERS, INC.

STATEMENT OF CASH FLOWS

THREE MONTHS ENDED MARCH 31, 2003 AND MARCH 31, 2002

(UNAUDITED)

	March 31, 2003	20
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (11,362)	$
Adjustments to reconcile net loss to net cash used in operating activities		
Expenses paid by officer	---	
Occupancy cost contributed by officer	605	
Changes in operating assets and liabilities		

Decrease in prepaid expenses	7,880	
Increase (decrease) in accounts payable and accrued expenses	2,829	
Net cash used in operating activities	(48)	
NET DECREASE IN CASH	(48)	
CASH, beginning of period	183	
CASH, end of period	135	$
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Income taxes paid	---	$
Interest paid	---	$

See accompanying notes to financial statements

FUEL CENTERS, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2003 AND 2002

(UNAUDITED)

NOTE 1 - NATURE OF OPERATIONS

Fuel Centers, Inc. (the "Company") is a business consulting firm that specializes in strategy and development of high-volume, multi-revenue source, and retail fuel service stations for the oil and petroleum industry. The Company was incorporated in the state of Nevada on April 9, 2001 and is headquartered in Cypress, California.

NOTE 2 - BASIS OF PRESENTATION

The unaudited financial statements included herein have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Item 310(b) of Regulation S-B. 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 three months ended March 31, 2003 and 2002 are not necessarily indicative of the results that may be expected for the years ended December 31, 2003 and 2002. For further information, these financial statements and the related notes should be read in conjunction with the Company's audited financial statements for the period ended December 31, 2002 included in the Company's annual report on Form 10-KSB.

NOTE 3 - COMMON STOCK

On June 17, 2002, the Company's Board of directors declared a two and nine hundredths to one (2:09:1) forward stock split to the stockholders of record as of June 21, 2002. The stock dividend was paid on June 24, 2002 and resulted in an increase of the Company's issued and outstanding common stock to 12,550,450 shares.

NOTE 4 - RELATED PARTY TRANSACTIONS

The Company occupies office space provided by its officer. Accordingly, occupancy costs have been allocated to the Company based on the square foot percentage assumed multiplied by the officer's total monthly costs. These amounts are shown in the accompanying statements of operations for the three months ended March 31, 2002 and are considered additional contributions of capital by the officer and the Company.

ITEM 2. PLAN OF OPERATION

THIS FOLLOWING INFORMATION SPECIFIES CERTAIN FORWARD-LOOKING STATEMENTS OF MANAGEMENT OF THE COMPANY. FORWARD-LOOKING STATEMENTS ARE STATEMENTS THAT ESTIMATE THE HAPPENING OF FUTURE EVENTS AND ARE NOT BASED ON HISTORICAL FACT. FORWARD-LOOKING STATEMENTS MAY BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY, SUCH AS "MAY", "SHALL", "WILL", "COULD", "EXPECT", "ESTIMATE", "ANTICIPATE", "PREDICT", "PROBABLE", "POSSIBLE", "SHOULD", "CONTINUE", OR SIMILAR TERMS, VARIATIONS OF THOSE TERMS OR THE NEGATIVE OF THOSE TERMS. THE FORWARD-LOOKING STATEMENTS SPECIFIED IN THE FOLLOWING INFORMATION HAVE BEEN COMPILED BY OUR MANAGEMENT ON THE BASIS OF ASSUMPTIONS MADE BY MANAGEMENT AND CONSIDERED BY MANAGEMENT TO BE REASONABLE. OUR FUTURE OPERATING RESULTS, HOWEVER, ARE IMPOSSIBLE TO PREDICT AND NO REPRESENTATION, GUARANTY, OR WARRANTY IS TO BE INFERRED FROM THOSE FORWARD-LOOKING STATEMENTS.

THE ASSUMPTIONS USED FOR PURPOSES OF THE FORWARD-LOOKING STATEMENTS SPECIFIED IN THE FOLLOWING INFORMATION REPRESENT ESTIMATES OF FUTURE EVENTS AND ARE SUBJECT TO UNCERTAINTY AS TO POSSIBLE CHANGES IN ECONOMIC, LEGISLATIVE, INDUSTRY, AND OTHER CIRCUMSTANCES. AS A RESULT, THE IDENTIFICATION AND INTERPRETATION OF DATA AND OTHER INFORMATION AND THEIR USE IN DEVELOPING AND SELECTING ASSUMPTIONS FROM AND AMONG REASONABLE ALTERNATIVES REQUIRE THE EXERCISE OF JUDGMENT. TO THE EXTENT THAT THE ASSUMED EVENTS DO NOT OCCUR, THE OUTCOME MAY VARY SUBSTANTIALLY FROM ANTICIPATED OR PROJECTED RESULTS, AND, ACCORDINGLY, NO OPINION IS EXPRESSED ON THE ACHIEVABILITY OF THOSE FORWARD-LOOKING STATEMENTS. WE CANNOT GUARANTY THAT ANY OF THE ASSUMPTIONS RELATING TO THE FORWARD-LOOKING STATEMENTS SPECIFIED IN THE FOLLOWING INFORMATION ARE ACCURATE, AND WE ASSUME NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS.

CRITICAL ACCOUNTING POLICY AND ESTIMATES. Our Management's Discussion and Analysis of Financial Condition and Results of Operations section discusses our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, accrued expenses, financing operations, and contingencies and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources. These accounting policies are described at relevant sections in this discussion and analysis and in the notes to them consolidated financial statements included in our Quarterly Report on Form 10-QSB for the period ended March 31, 2003.

Our business is to offer a full range of business consulting services in the retail automobile fueling industry. Our plan has been to offer advice and assistance on issues of business strategy and development of high-volume, multi-revenue source, retail automobile fueling centers or "Superstations". Superstations typically include retail fueling facilities, quick service restaurants, car wash facilities and a convenience store. We intended to provide services to owners of existing fueling stations who desire to convert their facilities into a Superstation, as well as to parties who are not currently engaged in the retail sale of motor fuel but wish to establish fueling facilities. We anticipated that a majority of our revenue would be derived from fees paid by clients for our advice, services and business development products.

We have also contemplated acquiring a third party, merging with a third party or pursuing a joint venture with a third party in order to support our development. In that regard, we had previously entered into a Letter of Intent with Linsang Manufacturing, Inc., a Delaware corporation ("LMI") and certain of its shareholders wherein we would acquire LMI in exchange for shares of our common stock, and as part of the same transaction we would conduct a private placement of our equity securities, and LMI would acquire contracts other business entities that would bring a certain net value in revenues. In November 2002, we concluded that we would not be able to complete the transaction to acquire LMI as described herein.

We continue to contemplate acquiring a third party, merging with a third party or pursuing a joint venture with a third party in order to support our development. However, we cannot guaranty that we will acquire any other third party in lieu of LMI, or that in the event that we acquire another entity, this acquisition will increase the value of our common stock. We intend to continue providing our business consulting services to the retail automotive fueling industry.

LIQUIDITY AND CAPITAL RESOURCES. We had cash of $135 as of March 31, 2003. Our total current assets as of March 31, 2003 were $35,443, of which $35,308 was represented by interest receivable. Our total assets were $35,443 as of March 31, 2003. We have no other property or assets. Our total current liabilities were $34,481 as of March 31, 2003, which was represented by accounts payable and accrued expenses.

RESULTS OF OPERATIONS.

Revenues. For the three month period ending March 31, 2003, we realized no revenues from providing consulting services. We will attempt to generate revenues by engaging clients to utilize our consulting services.

Operating Expenses. For three month period ending March 31, 2003, our total operating expenses were $11,362. Those expenses were represented by $10,709 in legal and professional fees, and $605 in occupancy expenses and $48 in office supplies expenses. For the three month period ending March 31, 2003, we experienced a net loss of $11,362. This is in comparison to the three month period ending March 31, 2002, where our total operating expenses were $11,953. That amount was represented by $9,087 in consulting services, $1,175 in legal and professional fees, and $605 in occupancy expenses and $1,086 in office supplies expenses. During 2002, we entereed into an agreement to acquire another company, Linsang Manufacturing, Inc., or LMI. However, the transaction was never consummated. Our operation expenses were slightly lower for the three month period ending March 31, 2003, as compared to the same period ending March 31, 2002 because we were in the process of making arrangements to acquire LMI, for which we incurred significant general and administrative expenses. In order to either continue operations or enter into a similar agreement with another entity, we anticipate we will continue to incur significant general and administrative expenses.

OUR PLAN OF OPERATION FOR THE NEXT TWELVE MONTHS. We continue to contemplate acquiring a third party, merging with a third party or pursuing a joint venture with a third party in order to support our development. Accordingly, we have been researching potential acquisitions or other suitable business partners which will assist us in realizing our business objectives. We cannot guarantee that in the event we acquire or merge with a third party, such acquisition or merger will increase the value of our common stock. In the interim, we intend to continue providing our business consulting services to the retail automotive fueling industry.

We had cash of $135 as of March 31, 2003. In the opinion of management, available funds will not satisfy our working capital requirements through the next twelve months. Our forecast for the period for which our financial resources will be adequate to support our operations involves risks and uncertainties and actual results could fail as a result of a number of factors. Because we were not able to complete the proposed acquisition of LMI as described, we anticipate that we may need to raise additional capital to continue operations. Such additional capital may be raised through public or private financing as well as borrowings and other sources. We cannot guaranty that additional funding will be available on favorable terms, if at all. If adequate funds are not available, then our ability to expand our operations may be adversely affected. If adequate funds are not available, we anticipate that our officers and directors will contribute funds to pay for our expenses, although they are under no guaranty to do so.

We are not currently conducting any research and development activities and do not anticipate conducting such activities in the near future. We do not anticipate hiring additional employees or independent contractors unless we are able to expand our current operations. Until recently, we had been focusing our efforts on completing the acquisition of LMI. We do not anticipate that we will purchase or sell any significant equipment.

ITEM 3. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures. We maintain controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Based upon their evaluation of those controls and procedures performed within 90 days of the filing date of this report, our chief executive officer and the principal financial officer concluded that our disclosure controls and procedures were adequate.

(b) Changes in internal controls. There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation of those controls by the chief executive officer and principal financial officer.

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 VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

None.

SIGNATURES

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

Fuel Centers, Inc.,
a Nevada corporation

May 19, 2003 By: /s/ John R. Muellerleile

John R. Muellerleile
Chief Executive Officer, President,
Secretary, Director

CERTIFICATIONS

I, John R. Muellerleile, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Fuel Centers, Inc.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 19, 2003

/s/ John R. Muellerleile

John R. Muellerleile
Chief Executive Officer

CERTIFICATIONS

I, K. John Shukur, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Fuel Centers, Inc.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 19, 2003

/s/ K. John Shukur

K. John Shukur
Chief Financial Officer