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CLINICAL TRIALS ASSISTANCE CORP
Form 10QSB
May 20, 2004

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-QSB

(Mark One)

☒ Quarterly Report under Section 13 or 15(d) of the Securities
Exchange Act of 1934

For the quarterly period ended March 31, 2004.

☐ Transition Report under Section 13 or 15(d) of the Exchange Act For the
Transition Period from _____ to _____

Commission File Number: 000-50095

Clinical Trials Assistance Corporation

(Exact name of small business issuer as specified in its charter)

Nevada

27-0009939

(State or other jurisdiction of
incorporation or organization)

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

31 N. Second Street, Suite 250, San Jose, CA

95113

(Address of principal executive offices)

(zip code)

Issuer's telephone number: (408) 938-1000 Fax number: (408) 947-1816

Check whether the issuer (1) filed all reports required to be filed by
Section 13 or 15(d) of the Exchange Act of 1934 during the past 12
months (or 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
PROCEEDING DURING THE PRECEDING FIVE YEARS

Check whether the Registrant filed all documents and reports required to
be filed by Section 12, 13 or 15(d) of the Exchange Act after the
distribution of securities under a plan confirmed by a court.

Yes ☐ No ☐

APPLICABLE ONLY TO CORPORATE ISSUERS

Common Stock, \$0.001 par value per share, 70,000,000 shares authorized,
as of March 31, 2004, the issuer had 36,000,000 shares of common
stock outstanding. Preferred Stock, \$0.001 par value per share, 5,000,000

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shares authorized, none issued nor outstanding as of March 31, 2004.

Traditional Small Business Disclosure Format (check one)

Yes [] No [X]

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS AND EXHIBITS

As prescribed by Item 310 of Regulation S-B, the independent auditor has reviewed these unaudited interim financial statements of the registrant for the three months ended March 31, 2004. The financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim period presented. The unaudited financial statements of registrant for the three months ended March 31, 2004, follow.

Beckstead and Watts, LLP

Certified Public Accountants

3340 Wynn Road, Suite B
Las Vegas, NV 89102
702.257.1984
702.362.0540 fax

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Clinical Trials Assistance Corporation

We have reviewed the accompanying balance sheet of Clinical Trials Assistance Corporation (a Nevada corporation) as of March 31, 2004 and the related statements of operations for the three-months ended March 31, 2004 and 2003, and statements of cash flows for the three-months ended March 31, 2004 and 2003. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, which will be performed for the full year with the objective of expressing an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements referred to above for them to be in conformity with generally accepted accounting principles in the United States of America.

Beckstead and Watts, LLP has previously audited, in accordance with generally accepted auditing standards, the balance sheet of Clinical Trials Assistance Corporation as of December 31, 2003, and the related statements of operations, stockholders' equity, and cash flows for the year then ended (not presented herein) and in our report dated January 16, 2004, we expressed an unqualified opinion on those financial statements.

Beckstead and Watts, LLP

May 14, 2004

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Clinical Trials Assistance Corporation Balance Sheet (unaudited)

Balance Sheet

March 31,
2004

Assets

Current assets:

Cash

\$ 36,403

36,403

\$ 36,403

=====

Liabilities and Stockholders' Equity

Current liabilities:

\$ -

Stockholders' equity:

Preferred stock - Series A, \$0.001 par value, 2,000,000 shares
authorized, no shares issued and outstanding

-

Preferred stock - Series B, \$0.001 par value, 2,000,000 shares
authorized, no shares issued and outstanding

-

Preferred stock - Series C, \$0.001 par value, 1,000,000 shares
authorized, no shares issued and outstanding

-

Common stock - Class A, \$0.001 par value, 70,000,000 shares
authorized, 36,000,000 shares issued and outstanding

36,000

Additional paid-in capital

26,600

Retained earnings

(26,197)

36,403

\$ 36,403

=====

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

Clinical Trials Assistance Corporation Statements of Operations (unaudited)

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Statements of Operations

	Three Months Ending March 31,	
	2004	2003
Revenue	\$ 7,375	\$ -
Cost of services	1,941	-
	5,434	-
Expenses:		
Other executive compensation	26,000	-
General & administrative expenses	8,650	4,157
General & administrative expenses - related party	600	-
	35,250	4,157
Net (loss)	\$ (29,816)	\$ (4,157)
Weighted average number of common shares outstanding - basic and fully diluted	36,000,000	36,000,000
Net (loss) per share - basic and fully diluted	\$ 0.00	\$ (0.00)

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

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Clinical Trials Assistance Corporation Statements of Cash Flows (unaudited)

Statements of Cash Flows

	Three Months Ended March 31,	
	2004	2003
Cash flows from operating activities		
Net (loss)	(29,816)	(4,157)
Adjustments to reconcile net (loss) provided by (used in) operating activities:		
Donated capital		
Non-cash general and administrative expenses	600	
Non-cash executive compensation	3,000	
Changes in:		

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Increase in accounts payable	-	-
	-----	-----
Net cash provided (used) by operating activities	(26,216)	(4,157)
	-----	-----
Cash flows from financing activities		
Issuances of common stock	-	-
	-----	-----
Net cash provided by financing activities	-	-
	-----	-----
Net increase in cash	53,665	46,710
Cash - beginning	62,619	15,909
	-----	-----
Cash - ending	\$ 36,403	\$ 62,619
	=====	=====
Supplemental disclosures:		
Interest paid	\$ -	\$ -
	=====	=====
Income taxes paid	\$ -	\$ -
	=====	=====

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

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Clinical Trials Assistance Corporation Notes

Note 1 - Basis of Presentation

The consolidated interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these consolidated interim financial statements be read in conjunction with the financial statements of the Company for the year ended December 31, 2003 and notes thereto included in the Company's 10-KSB annual report. The Company follows the same accounting policies in the preparation of interim reports.

On March 8, 2004, the Company filed a "Certificate of Amendment of the Articles of Incorporation" of Clinical Trials Assistance Corporation, whereby increasing the authorized shares of common stock from 20,000,000 to 70,000,000.

Results of operations for the interim periods are not indicative of annual results.

Note 2 - Revenue recognition

Clinical Trials Assistance Corporation helps physician researchers recruit

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appropriate patients to participate in specific clinical research trials sponsored by the pharmaceutical industry. The Company recognizes revenue as it invoices its customers (physician researchers) on a "completed contract basis" based on the number of patients it generates to call the research center for an appointment to participate in a clinical study. Costs are recognized upon completion of the of the contracted recruitment campaign in order to match revenue generated from the campaign. For the three months ended March 31, 2004, the Company recognized a total of \$7,375 in revenue.

Note 3 - Stockholders' equity

On March 8, 2004, the Company effectuated a 3-for-1 forward stock split for all shareholders as of that date. All share and per share amounts have been retroactively restated to reflect the 3-for-1 forward stock split. The resulting common stock issued and outstanding is 36,000,000.

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Clinical Trials Assistance Corporation Notes

Note 4 - Related party transactions

An officer of the Company provides the Company with 120 square feet of office space. The estimated fair market value of the office space is valued at \$2,400 per year. Total occupancy expense included in general and administrative expenses - related party is \$600 for the period ended March 31, 2004. The offsetting accounting entry is included in "paid-in capital" since the officer does not expect to be reimbursed for the office space.

An officer of the Company agreed to take no salary until the Company can generate enough revenues to support salaries on a regular basis. The estimated fair market value of the services rendered is valued at \$12,000 per year. Total officer compensation expense is \$3,000 for the period ended March 31, 2004. The offsetting accounting entry is included in "paid-in capital" since the officer does not expect to be compensated until the Company can generate enough revenues to support salaries on a regular basis.

An officer of the Company received additional compensation of cash in the amount of \$23,000 for the period ended March 31, 2004.

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF PLAN OF OPERATIONS

Clinical Trials Assistance Corporation ("CTAL") or ("the Company") since its acquisition of IT&E International is a provider of clinical and regulatory services to companies in the pharmaceutical and biotechnology industries. Through its pre-clinical and clinical business segments, the Company offers a broad range of drug development services, including laboratory and manufacturing validation, and clinical studies development services. Clinical Trials utilizes industry experts, combined with a network of associates, who

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provide insight into the latest FDA regulatory information and interpretation. The Company's Clinical Affairs provides pharmaceutical and biotechnology companies with consulting services which focus on Medical Review, Study Design, Protocol Development, Clinical Data Management, Clinical Research, Biostatistics, Statistical Programming and Analysis, Medical Writing and Coding, and Specialized Information Technology Development.

Further, the Company helps physician researchers find patients for ongoing clinical studies. These clinical trials would be conducted in a physician's office, hospital setting, or private clinic, who have separately contracted with a major pharmaceutical Company or U.S. Government agency to test developmental pharmaceutical products, which have been approved by the Food and Drug Administration ("FDA") for testing in humans. In some case, the pharmaceutical companies themselves conduct clinical research studies. Said differently, the Company helps these researchers find patients for on-going studies. The researchers screen and evaluate whether these patients qualify for these studies. The Company does provide consultation services to physicians upon request. This consultation service includes, but is not limited to helping research centers screen and retain patients more effectively. The actual clinical trials are performed at the investigative sites as approved by the FDA.

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Results of Operations

During the three months ended March 31, 2004, the Company recognized a total of \$7,375 in revenues versus no revenues for the same period last year. It is difficult to compare these figures to the same period last year, since the Company was first incorporated on April 22, 2002. For the three months ended March 31, 2004, the Company generated \$7,375 in revenues with cost of services of \$1,941, and total expenses of \$35,250. For the three months ended March 31, 2004, the Company had a net loss of \$29,816 versus a net loss of \$4,157 for the same period last year. The increase in net loss was due to other executive compensation of \$26,000.

The major components to expenses faced by the company in its day to day operations includes developing databases of potential patients, based on demographic information, mailing programs and general administrative expenses. If the Company can maintain its profitability, the company will access salaries, rent, reimbursement for travel expenses and add additional personnel to the payroll. Management intends to continue minimize costs until such a time in its discretion it believes expansion would be prudent. One element in making this determination is positive cash flow on continuous quarterly basis. If or when the company is successful in achieving this continuous quarterly positive cash flow, it is likely that the company will consider expanding its personnel which will increase costs.

Plan of Operation

Management believes that the Company has enough funds to sustain itself for the remainder of the calendar year 2004. Management is in the process of seeking other businesses to acquire so that it can expand its operations.

Liquidity and Capital Resources

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On April 30, 2002, the Company issued ten million (10,000,000) shares of its \$0.001 par value Common Stock for cash of \$10,000, purchased by Mr. Kamill Rohny, President and founder of the Company.

On September 30, 2002, Clinical Trials completed a private offering of shares of our common stock pursuant to Regulation D, Rule 504 of the Securities Act of 1933, as amended, and the registration by qualification of said offering in the State of Nevada, whereby Clinical Trials sold 2,000,000 shares of Common Stock to approximately 46 unaffiliated shareholders of record, none of whom were or are officers, directors or affiliates of the Company.

At the Company's annual shareholder meeting held on March 5, 2004, the shareholders of the Company approved a three-for-one forward stock split.

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On April 14, 2004, CTAL entered into a Acquisition Agreement and Plan of Merger to acquire IT&E International in exchange for 11,000,000 Common Shares of the Registrant's common stock which were issued to the holders of IT&E International stock and 2,820,000 preferred shares. Immediately after the Acquisition was consummated and further to the Agreement, Kamill Rohny, the then controlling stockholder of CTAL, cancelled 28,000,000 shares of CTAL's Common Stock held by him. Therefore, as of April 14, 2004, CTAL has 19,000,000 Common Shares issued and outstanding.

The Company could be required to secure additional financing to fully implement its entire business plan. There are no guarantees that such financing will be available to the Company, or if available, will be on terms and conditions satisfactory to management.

The Company does not have any preliminary agreements or understandings between the company and its stockholders/officers and directors with respect to loans or financing to operate the company. The Company currently has no arrangements or commitments for accounts and accounts receivable financing.

The Company has no current commitments or other long-term debt. Additionally, the Company has and may in the future invest in short-term investments from time to time. There can be no assurance that these investments will result in profit or loss.

Employees

With the acquisition of IT&E International, the Company employs 21-22 staff employees and utilizes the services of approximately 90 outside consultants who work as independent contracts for IT&E. The Company has three executive officers.

Market For Company's Common Stock

Market Information

The Company's Common Stock is traded on the OTC Bulletin Board under the symbol "CTAL." There has been no trading activity in the Common Stock.

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There are no assurances any trading activity will take place in the future for the Company's Common Stock.

The Company did not repurchase any of its shares during the first quarter of the fiscal year covered by this report.

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Dividends

Holders of common stock are entitled to receive such dividends as the board of directors may from time to time declare out of funds legally available for the payment of dividends. No dividends have been paid on our common stock, and we do not anticipate paying any dividends on our common stock in the foreseeable future.

Forward-Looking Statements

This Form 10-QSB includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included or incorporated by reference in this Form 10-QSB which address activities, events or developments which the Company expects or anticipates will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof), finding suitable merger or acquisition candidates, expansion and growth of the Company's business and operations, and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances.

However, whether actual results or developments will conform with the Company's expectations and predictions is subject to a number of risks and uncertainties, general economic market and business conditions; the business opportunities (or lack thereof) that may be presented to and pursued by the Company; changes in laws or regulation; and other factors, most of which are beyond the control of the Company.

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This Form 10-QSB contains statements that constitute "forward-looking statements." These forward-looking statements can be identified by the use of predictive, future-tense or forward-looking terminology, such as "believes," "anticipates," "expects," "estimates," "plans," "may," "will," or similar terms. These statements appear in a number of places in this Registration and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things: (i) trends affecting the Company's financial condition or results of operations for its limited history; (ii) the Company's business and growth strategies; and, (iii) the Company's financing plans. Investors are cautioned that any such forward-looking statements are not guarantees of future

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performance and involve significant risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Factors that could adversely affect actual results and performance include, among others, the Company's limited operating history, dependence on continued growth in the irrigation industry, potential fluctuations in quarterly operating results and expenses, government regulation dealing with irrigation systems, technological change and competition.

Consequently, all of the forward-looking statements made in this Form 10-QSB are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The Company assumes no obligations to update any such forward-looking statements.

Item 3. Controls and Procedures

As of the end of the period covered by this report, the Company conducted an evaluation, under the supervision and with the participation of the principal executive officer and principal financial officer, of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based on this evaluation, the principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. There was no change in the Company's internal control over financial reporting during the Company's most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II OTHER INFORMATION

ITEM 1. Legal Proceedings

The Company is not a party to any legal proceedings.

ITEM 2. Changes in Securities and Use of Proceeds

On April 14, 2004, CTAL entered into a Acquisition Agreement and Plan of Merger to acquire IT&E International in exchange for 11,000,000 Common Shares of the Registrant's common stock which were issued to the holders of IT&E International stock and 2,820,000 preferred shares. Immediately after the Acquisition was consummated and further to the Agreement, Kamill Rohny, the then controlling stockholder of CTAL, cancelled 28,000,000 shares of CTAL's Common Stock held by him. Therefore, as of April 14, 2004, CTAL has 21,000,000 Common Shares issued and outstanding.

ITEM 3. Defaults upon Senior Securities

None.

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

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The Company's annual shareholder meeting was held on March 5, 2004. The following proposals were submitted to a vote and approved by, the Company's shareholders. At the Meeting, Eleven Million One Three Hundred Ninety-nine Thousand Three Hundred Fifty shares were present and voted in favor of each of the following proposals. The results were tabulated and certified by Thomas C. Cook, Esq., the corporation's special counsel. This represents 94.9% of the 12,000,000 issued and outstanding shares. No votes were cast against any proposal and no broker non-votes were received.

- Proposal 1. Increase the number of the Company's authorized Common Shares, from twenty million (20,000,000) to seventy million (70,000,000) shares; (A copy of the Company's Amended Articles were filed with the Commission, on March 22, 2004 with the Annual Report on Form 10-KSB.)
- Proposal 2. Election of two Directors;
- Proposal 3. Forward Split the Common Stock three-for-one;
- Proposal 4. Approval of Warrant Issuance;
- Proposal 5. Ratification of Beckstead and Watts, LLP as independent auditors.

ITEM 5. Other Information

None.

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ITEM 6. Exhibits and Reports on Form 8-K

a) Exhibits

Exhibit Number	Title of Document
31.1	Certifications of the Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

b) Reports on Form 8-K

The Company did not file any Current Reports on Form 8-K for the Quarter ended March 31, 2004.

Subsequent Reports:

The Company filed a Current Report dated April 14, 2004, pursuant to Item 1 ("Changes in Control of Registrant"); Item 2 ("Acquisition or Disposition of Assets"); Item 5 ("Other Events"); and, Item 7. ("Exhibits"), entitled "Acquisition Agreement and Plan of Merger."

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SIGNATURES

In accordance with Section 12 of the Securities Exchange Act of 1934, the registrant caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Clinical Trials Assistance Corporation

(Registrant)

Dated: April 14, 2004

By: /s/ Kamill Rohny

Kamill Rohny
Chief Executive Officer
Chief Financial Officer

CLINICAL TRIALS ASSISTANCE CORPORATION

SIGNATURES

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

CLINICAL TRIALS ASSISTANCE CORPORATION

Date: April 14, 2004

By: /s/ Kamill Rohny

Kamill Rohny
Chief Executive Officer