COBRATECH INTERNATIONAL INC
Form 10QSB
May 20, 2002

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, 2002

( )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: 000-28005

CobraTech International, Inc.
(Exact name of registrant as specified in its charter)

Nevada	88-0422028
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Suite 2300, 1066 West Hastings Street, Vancouver, British Columbia, Canada	V6E 3X2
(Address of principal executive offices)	(Zip Code)

(604) 608-1610
(Registrant's Telephone Number, Including Area Code)

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 20, 2002 there were 24,200,030 shares of the issuer's $.001 par value common stock issued and outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Cobra Tech International, Inc.
(A Development Stage Company)

Balance Sheets
as of
March 31, 2002
and December 31, 2001

and

Statements of Operations
and
Cash Flows
for the Three Months Ending
March 31, 2002 and 2001,
and For the Period
March 30, 1999 (Inception) to March 31, 2002

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Cobra Tech International, Inc.
(a Development Stage Company)
Balance Sheets

	(unaudited) March 31, 2002	December 200
Assets		
Current assets:		
Cash	$ -	$
Loan to stockholder	9,511	
Total current assets	9,511	
	$ 9,511	$
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	$ 27,233	$
Loan from stockholder	17,375	
Total current liabilities	44,608	
Stockholders' Equity (Deficit):		
Common stock, $0.001 par value, 25,000,000 shares authorized; 24,200,030 shares issued and outstanding at 3/31/02 and 12/31/01, respectively	24,200	
Additional paid-in capital	9,860	
Treasury stock	10,000	
(Deficit) accumulated during development stage	(79,157)	
	(35,097)	
	$ 9,511	$

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

Cobra Tech International, Inc.

(a Development Stage Company)
Statements of Operations
(unaudited)

	Three Months Ending March 31,	
	2002	2001
Revenue	$ -	$
Expenses:		
General and administrative expenses	22,252	
Total expenses	22,252	
Net (loss)	$ (22,252)	$
Weighted average number of common shares outstanding - basic and fully diluted	24,200,030	8,840,
Net (loss) per share - basic and fully diluted	$ (0.00)	$

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

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Cobra Tech International, Inc.
(a Development Stage Company)
Statements of Cash Flows
(unaudited)

	Three Months Ending March 31,	
	2002	2001
Cash flows from operating activities		
Net (loss)	$ (22,252)	$ -
Adjustments to reconcile net (loss) to net cash (used) by operating activities:		
Increase in accounts payable	17,233	

Net cash (used) by operating activities	(5,019)	-
Cash flows from investing activities	-	-
Cash flows from financing activities		
Loan (to) from stockholder	5,000	
Issuance of common stock	-	-
Net cash provided by financing activities	5,000	-
Net (decrease) in cash	(19)	-
Cash - beginning	19	-
Cash - ending	$ -	$ -
Supplemental disclosures:		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

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

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Cobra Tech International, Inc.
(a Development Stage Company)
Notes

Note 1 - Basis of presentation

The 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 interim financial statements be read in conjunction with the financial statements of the Company for the year ended December 31, 2001 and notes thereto included in the Company's Form 10-KSB. The Company follows the same accounting policies in the preparation of interim reports.

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

Note 2 - Going concern

The Company's financial statements have been prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Without realization of additional capital, it would be unlikely for the Company to continue as a going concern. Because the Company does not have any cash or other material other assets, nor does it have an established source of revenue sufficient to cover its operating costs, the shareholder/officers will continue advancing enough cash to cover the operating costs of the Company. The advances do not bear any interest. Additionally, the Company intends to sell additional shares of its $0.001 par value common stock when it is listed on the NASDAQ bulletin board.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might arise from this uncertainty.

Note 3 - Subsequent events

On April 1, 2002 the Company executed a promissory note for $12,375 with the Company's president that is due upon demand and bears no interest.

On April 2, 2002, the Company incorporated its wholly owned subsidiary, Meta Source Acquisition Corporation (MSAC) and received 1,000 shares of MSAC in exchange for services.

On April 12, 2002, the Company executed a promissory note for $25,000 with the Company's president that is due on 6/30/02 and bears no interest.

On April 20, 2002, the Company executed a promissory note for $250,000 with Big Plans Investment, Ltd. that is due on 4/20/03 with an interest rate of 8% per annum.

On April 24, 2002, Meta Source Acquisition Corporation (MSAC), the Company's wholly owned subsidiary, executed a merger agreement with MetaSource Systems, Inc. (MSS). Pursuant to the terms of the merger agreement, the shareholders of MSAC will receive shares on a one for one basis of the surviving corporation, MSS. In addition, the shareholders of MSS will receive shares on a one for one basis of the Company's common stock. But, if the net annual earnings for the year ended December 31, 2001 of MSS is not equal or greater than $2,000,000 then their shares will be reduced pro-rata by the number of shares equal to the total shortfall. In addition, the Company promises to provide MSS with a bridge loan of up to $250,000. On May 15, 2002, the Company executed a promissory note for $30,000 with the Company's president that is due on 6/30/02 and bears no interest.

Item 2. Management's Discussion and 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 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. No assurance can be given 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.

We were originally formed to create a western-themed resort facility with entertainment, attractions and hotel rooms for overnight lodging, to be located in the Southern California region of the United States. We intended to develop this concept by doing the following: identifying land to build the project on; conducting feasibility analysis on identified land; obtaining financing to purchase the property; and attracting developers to build hotels, restaurants, retail stores and attractions.

In April 2002, we entered into an agreement and plan of merger with MetaSource Systems, Inc., a Delaware corporation. Pursuant to that agreement, Meta Source Acquisition Corp., a Delaware corporation and our wholly-owned subsidiary, which we recently formed, will merge with and into MetaSource Systems, Inc. The agreement provides that shareholders of MetaSource Systems, Inc. will receive shares of our common stock on a one for one basis. The agreement also provides if the net annual earnings for the year ended December 31, 2001 of MetaSource Systems, Inc. is not equal or greater than $2,000,000 then the shares issued to the shareholders of MetaSource Systems, Inc. will be reduced pro-rata by the number of shares equal to the total shortfall. The transaction is due to close in May or June 2002. MetaSource Systems, Inc. is a software development firm, which is currently looking to acquire other software development companies to grow and expand its operations. We cannot guaranty that we will acquire or merge with MetaSource Systems, Inc., or that in the event we acquire or merge with MetaSource Systems, Inc., such acquisition or merger will increase the value of our common stock.

Liquidity and Capital Resources. Our total current assets were $9,511 as of March 31, 2002, which was represented solely be a loan to a stockholder. We had no other assets as of March 31, 2002. We believe that Joe Cheung, our sole officer, director and principal shareholder, will continue to pay our day-to-day expenditures.

As of March 31, 2002, our total liabilities were $44,608, of which $27,233 was represented by accounts payable, and $12,375 was represented by a loan from Mr. Cheung. That note does not bear interest and is payable on demand. In April 2002, Mr. Cheung loaned us $25,000 to pay our expenses and provide us with working capital. That note matures on June 30, 2002, and does not bear any interest. Also in April 2002, Big Plans Investments Ltd. loaned us $250,000. That note matures on April 20, 2003 and bears simple interest at the rate of 8%. Pursuant to the terms of our agreement and plan of merger with MetaSource Systems, Inc., we loaned those funds to MetaSource Systems, Inc. as bridge financing. In May 2002, Mr. Cheung loaned us $30,000 to pay our expenses and provide us with working capital. That note also matures on June 30, 2002, does not bear interest and is payable on demand.

Results of Operations.

Revenue. We have not generated any revenues to date. We do not expect that we will generate any significant revenues until such time as we complete the acquisition of MetaSource Systems, Inc.

Operating Expenses. We have incurred expenses of approximately $22,252 for the three month period ended March 31, 2002. Expenditures were primarily due to costs incurred for professional fees, services and general and administrative expenses. We anticipate that we will continue to incur significant professional, general and administrative expenses with respect the acquisition of MetaSource Systems, Inc.

Our Plan of Operation for the Next Twelve Months. Our plan of operation is dependent on our ability to complete the acquisition of MetaSource Systems, Inc. If we are unable to complete the acquisition of MetaSource Systems, Inc., then we will look to acquire or merge with another entity. We cannot guaranty that we will acquire or merge with MetaSource Systems, Inc, or that in the event we acquire or merge with MetaSource Systems, Inc, such acquisition or merger will increase the value of our common stock.

In the opinion of management, available funds will satisfy our working capital requirements for 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. We will need to raise additional capital to complete the acquisition of MetaSource Systems, Inc. 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.

We are not currently conducting any research and development activities. We do not anticipate conducting any other such activities in the next twelve months, unless we complete the acquisition of MetaSource Systems, Inc. We do not anticipate that we will purchase or sell any significant equipment in the next six to twelve months unless we complete the acquisition of MetaSource Systems, Inc. We do not anticipate that we will hire any employees in the next six to twelve months, unless complete the acquisition of MetaSource Systems, Inc.

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

1. Form 8-K filed on March 13, 2002 reported a change in control under Item 1, a change of address under Item 5, and resignation of directors under Item 6.

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 in the City of Vancouver, British Columbia, Canada, on May 20, 2002.

CobraTech International, Inc.

By: /s/ Joe Cheung
Joe Cheung
Its: President, Secretary, Treasurer and Director