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UNITED STATES
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 April 30, 2005

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

For the transition period from _____ to _____

MODENA 3 INC.

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

Delaware

(State or other jurisdiction of incorporation)

000-50495

(Commission File Number)

98-0412433

(IRS Employer Identification No.)

162 M Homestead Avenue, Manchester, Connecticut

(Address of principal executive offices)

06040

(Zip Code)

(860) 805-0701

(Issuer's telephone number)

N/A

(Former name, address and fiscal year, if changed since last report)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

State the number of shares outstanding of each of the issuer's classes of common equity, as of June 15, 2005: 100,000 shares of common stock.

Transitional Small Business Disclosure Format (Check one): Yes ☐ No ☒

MODENA 3 INC.
FORM 10-QSB

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PART I

Item 1. Financial Information

BASIS OF PRESENTATION

The accompanying reviewed financial statements are presented in accordance with generally accepted accounting principles for interim financial information and the instructions to Form 10-QSB and Item 310 under subpart A of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal occurring accruals) considered necessary in order to make the financial statements not misleading, have been included. Operating results for the three months ended April 30, 2005 are not necessarily indicative of results that may be expected for the year ending October 31, 2005. The financial statements are presented on the accrual basis.

MODENA 3, INC.
(A DEVELOPMENT STAGE COMPANY)

FINANCIAL STATEMENTS

AS OF APRIL 30, 2004

Modena 3, Inc.
(a development stage company)
Financial Statements Table of Contents

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| | ASSETS | | APRIL 30, | October 31, |
|---|--------------------------------------|----|--------------|--------------|
| CURRENT ASSETS | | | 2005 | 2004 |
| Cash | | \$ | 0 | \$ 0 |
| | | | <u>-----</u> | <u>-----</u> |
| | TOTAL ASSETS | \$ | 0 | \$ 0 |
| | | | <u>=====</u> | <u>=====</u> |
| | LIABILITIES AND STOCKHOLDER'S EQUITY | | | |
| CURRENT LIABILITIES | | | | |
| Accrued expenses | | \$ | 2,350 | \$ 1,750 |
| | | | <u>-----</u> | <u>-----</u> |
| | TOTAL LIABILITIES | | 2,350 | 1,750 |
| STOCKHOLDER'S EQUITY | | | | |
| Common Stock - par value \$0.001; 100,000,000 shares authorized; 100,000 issued and outstanding | | | 100 | 100 |
| Additional paid in capital | | | 0 | 0 |
| Accumulated Deficit | | | (2,450) | (1,850) |
| | | | <u>-----</u> | <u>-----</u> |
| Total stockholder's equity | | | (2,350) | (1,750) |
| | | | <u>-----</u> | <u>-----</u> |
| | TOTAL LIABILITIES AND EQUITY | \$ | 0 | \$ 0 |
| | | | <u>-----</u> | <u>-----</u> |

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

MODENA 3, INC.
(a development stage company)
STATEMENT OF OPERATIONS
For the Six months ending April 30, 2005 and
From inception (November 18, 2003) through April 30, 2005

| | Six Months April 30, 2005 | From Inception to January 31, 2005 |
|---|------------------------------|---------------------------------------|
| REVENUE | | |
| Sales | \$ 0 | \$ 0 |
| Cost of sales | 0 | 0 |
| | ----- | ----- |
| GROSS PROFIT | 0 | 0 |
| GENERAL AND ADMINISTRATIVE EXPENSES | 600 | 2,450 |
| | ----- | ----- |
| NET LOSS | (600) | (2,450) |
| ACCUMULATED DEFICIT, BEGINNING BALANCE | (1,850) | 0 |
| | ----- | ----- |
| ACCUMULATED DEFICIT, ENDING BALANCE | \$ (2,450) | \$ (2,450) |
| | ===== | ===== |
| NET EARNINGS PER SHARE | | |
| Basic Net Loss Per Share | (Less than .01) | |
| Basic Weighted Average Number of Common Shares Outstanding | 100,000 | |

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

MODENA 3, INC.
(a development stage company)
STATEMENT OF OPERATIONS
For the three months ending April 30, 2005 and 2004

| | Three Months April 30, 2005 | Three Months April 30, 2004 |
|-------------------------------------|--------------------------------|--------------------------------|
| REVENUE | | |
| Sales | \$ 0 | \$ 0 |
| Cost of sales | 0 | 0 |
| | ----- | ----- |
| GROSS PROFIT | 0 | 0 |
| GENERAL AND ADMINISTRATIVE EXPENSES | 350 | 250 |
| | ----- | ----- |
| NET LOSS | (350) | (250) |
| | ===== | ===== |

MODENA 3, INC.
(a development stage company)
STATEMENT OF STOCKHOLDER'S EQUITY From inception
(November 18, 2003) through April 30, 2005

| | SHARES ----- | COMMON STOCK ----- | ACCUMULATED DEFICIT ----- | TOTAL ----- |
|--|------------------|-----------------------|------------------------------|---------------------|
| Stock issued on acceptance Of incorporation expenses November 18, 2003 | 100,000 | \$ 100 | \$ 0 | \$ 100 |
| Net loss | ----- | ----- | (1,850) | (1,850) |
| Total at October 31, 2004 | 100,000 | 100 | (1,850) | (1,750) |
| Net loss | ----- | ----- | (600) | (600) |
| Total at April 30, 2005 | 100,000 ===== | \$ 100 ===== | \$ (2,450) ===== | \$ (2,350) ===== |

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

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MODENA 3, INC.
(a development stage company)
STATEMENT OF CASH FLOWS
For the Six months ended April 30, 2005 and
From inception (November 18, 2003) through April 30, 2005

| | April 30, 2005 | From Inception |
|---|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income (loss) | \$ (600) | \$(2,450) |
| Stock issued as compensation | 0 | 100 |
| Increases (Decrease) in accrued expenses | (600) | 2,350 |
| | ----- | ----- |
| NET CASH PROVIDED OR (USED) IN OPERATIONS | 0 | 0 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| None | 0 | 0 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Stock issued on incorporation expenses | 0 | 0 |
| CASH RECONCILIATION | | |
| Net increase (decrease) in cash | 0 | 0 |
| Beginning cash balance | 0 | 0 |
| | ----- | ----- |
| CASH BALANCE AT END OF PERIOD | \$ 0 ===== | \$ 0 ===== |

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

MODENA 3, INC.
(a development stage company)
NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies:

Industry:

Modena 3, Inc. (the Company), a Company incorporated in the state of Delaware as of November 18, 2003, plans to locate and negotiate with a business entity for the combination of that target company with The Company. The combination will normally take the form of a merger, stock-for-stock exchange or stock-for-assets exchange. In most instances the target company will wish to structure the business combination to be within the definition of a tax-free reorganization under Section 351 or Section 368 of the Internal Revenue Code of 1986, as amended. No assurances can be given that The Company will be successful in locating or negotiating with any target company.

The Company has been formed to provide a method for a foreign or domestic private company to become a reporting ("public") company whose securities are qualified for trading in the United States secondary market.

The Company has adopted its fiscal year end to be October 31.

Results of Operations and Ongoing Entity:

The Company is considered to be an ongoing entity for accounting purposes; however, there is substantial doubt as to the Company's ability to continue as a going concern. The Company's shareholders fund any shortfalls in the Company's cash flow on a day to day basis during the time period that the Company is in the development stage.

Liquidity and Capital Resources:

In addition to the stockholder funding capital shortfalls, the Company anticipates interested investors that intend to fund the Company's growth once a business is located.

Cash and Cash Equivalents:

The Company considers cash on hand and amounts on deposit with financial institutions which have original maturities of three months or less to be cash and cash equivalents.

Basis of Accounting:

The Company's financial statements are prepared in accordance with U.S. generally accepted accounting principles.

MODENA 3, INC.
(a development stage company)
NOTES TO FINANCIAL STATEMENTS

Income Taxes:

The Company utilizes the asset and liability method to measure and record deferred income tax assets and liabilities. Deferred tax assets and liabilities reflect the future income tax effects of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and are measured using enacted tax rates that apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. At this time, The Company has set up an allowance for deferred taxes as there is no company history to indicate the usage of deferred tax assets and liabilities.

Fair Value of Financial Instruments:

The Company's financial instruments may include cash and cash equivalents, short-term investments, accounts receivable, accounts payable and liabilities to banks and shareholders. The carrying amount of long-term debt to banks approximates fair value based on interest rates that are currently available to The Company for issuance of debt with similar terms and remaining maturities. The carrying amounts of other financial instruments approximate their fair value because of short-term maturities.

Concentrations of Credit Risk:

Financial instruments which potentially expose The Company to concentrations of credit risk consist principally of operating demand deposit accounts. The Company's policy is to place its operating demand deposit accounts with high credit quality financial institutions. At this time The Company has no deposits that are at risk.

2. Related Party Transactions and Going Concern:

The Company's financial statements have been presented on the basis that it is a going concern in the development stage, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. At this time The Company has not identified the business that it wishes to engage in.

The Company's shareholders fund The Company's activities while The Company takes steps to locate and negotiate with a business entity for combination; however, there can be no assurance these activities will be successful.

3. Accounts Receivable and Customer Deposits:

Accounts receivable and Customer deposits do not exist at this time and therefore have no allowances accounted for or disclosures made.

MODENA 3, INC.
(a development stage company)
NOTES TO FINANCIAL STATEMENTS

4. Use of Estimates:

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Management has no reason to make estimates at this time.

5. Revenue and Cost Recognition:

The Company uses the accrual basis of accounting in accordance with generally accepted accounting principles for financial statement reporting.

6. Accrued Expenses:

Accrued expenses consist of accrued legal, accounting and office costs during this stage of the business.

7. Operating Lease Agreements:

The Company has no agreements at this time.

8. Stockholder's Equity:

Common Stock includes 100,000,000 shares authorized at a par value of \$0.001, of which 100,000 have been issued for the amount of \$100 on November 18, 2003 in acceptance of the incorporation expenses for the Company.

9. Required Cash Flow Disclosure for Interest and Taxes Paid:

The company has paid no amounts for federal income taxes and interest. The Company issued 100,000 common shares of stock to its sole shareholder in acceptance of the incorporation expenses for the Company.

10. Earnings Per Share:

Basic earnings per share ("EPS") is computed by dividing earnings available to common shareholders by the weighted-average number of common shares outstanding for the period as required by the Financial Accounting Standards Board (FASB) under Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Shares". Diluted EPS reflects the potential dilution of securities that could share in the earnings.

Item 2. Management's Discussion and Analysis of Financial Conditions and Results of Operations

Plan of Operation

The Company is continuing its efforts to locate a merger Candidate for the purpose of a merger. It is possible that the Company will be successful in locating such a merger candidate and closing such merger. However, if the registrant cannot effect a non-cash acquisition, the registrant may have to raise funds from a private offering of its securities under Rule 506 of Regulation D. There is no assurance the registrant would obtain any such equity funding.

Results of Operation

The Company did not have any operating income from inception (November 18, 2003) through April 30, 2005. For the six months ended April 30, 2005, the Company recognized a net loss of \$600. Some general and administrative expenses during the year were accrued. Expenses for the year were comprised of costs mainly associated with legal, accounting and office.

Liquidity and Capital Resources

At April 30, 2005, the Company had no capital resources and will rely upon the issuance of common stock and additional capital contributions from shareholders to fund administrative expenses pending acquisition of an operating company.

Item 3. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

The Chief Executive Officer of Modena 3, Inc. maintains a system of disclosure controls and procedures that is designed to provide reasonable assurance that information which is required to be disclosed is accumulated and communicated to management in a timely manner. Under the supervision and with the participation of management, the certifying officer evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule [13a-14(c)/15d-14(c)] under the Exchange Act) within 90 days prior to the filing date of this report. Based upon that evaluation, the certifying officer concluded that the Company's disclosure controls and procedures are effective in timely alerting management to material information relative to the Company required to be disclosed in periodic filings with the SEC.

(b) Changes in internal controls.

The Chief Executive Officer has indicated that there were no significant changes in internal controls or other factors that could significantly affect such controls subsequent to the date of his evaluation, and there were no such control actions with regard to significant deficiencies and material weaknesses.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is currently not a party to any pending legal proceedings and no such action by or to the best of its knowledge, against the Company has been threatened.

Item 2. Changes in Securities.

None

Item 3. Defaults Upon Senior Securities.

None

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

No matter was submitted during the quarter ending April 30, 2005 covered by this report to a vote of the Company's shareholders, through the solicitation of proxies or otherwise.

Item 5. Other Information.

None

Item 6. Exhibits.

(a) Exhibits

31.1 Certification pursuant to Section 302 of Sarbanes Oxley Act of 2002

32.1 Certification pursuant to Section 906 of Sarbanes Oxley Act of 2002

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

MODENA 3 INC.
Registrant

Date: June 28, 2005 By: /s/ Abraham Pierce

Abraham Pierce
President, Chief Executive Officer,
Chief Financial Officer

CERTIFICATION

I, Abraham Pierce, certify that:

- (1) I have reviewed this Form 10QSB of Modena 3, Inc;
- (2) Based on my knowledge, this 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 report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
- (4) I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
- (5) I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: June 28, 2005

/s/ Abraham Pierce

Abraham Pierce
President and Chief Executive Officer

CERTIFICATION PURSUANT TO THE SARBANES-OXLEY ACT
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Abraham Pierce, President and Chief Executive Officer of Modena 3, Inc. (the “Company”) do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. This Quarterly Report on 10QSB of the Company for the period ended April 30, 2005 as filed with the Securities and Exchange Commission (the “report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 28, 2005

/s/ Abraham Pierce

Abraham Pierce
President and Chief Executive Officer