

**FORM 10-QSB**

SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549

Quarterly Report Under Section 13 or 15 (d)  
Of the Securities Exchange Act of 1934

For Quarter Ended March 31, 2001

Commission File Number 0-5662

CARDIFF COMMUNICATIONS, INC.  
(Exact name of registrant as specified in its charter)

NEVADA  
(State or other jurisdiction of  
incorporation or organization)

87-0267292  
(IRS Employer  
Identification No.)

6975 South Union Park Center #600, Salt Lake City UT 84047  
(Address of principal executive offices)

Registrant's telephone number  
including area code (801) 256-9600

Former Address, if changed since last report

Indicate by check mark whether the registrant (1) has filed all the reports required by Sections 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)

Yes X No   

and (2) has been subject to such filing requirements for the past 90 days.

Yes X No     

6,800,544  
(Number of shares of common stock the registrant had  
outstanding as of May 14, 2001)

## **PART 1**

### **ITEM 1 - FINANCIAL STATEMENTS**

The condensed financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission.

In the opinion of the Company, all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the financial position and the results of its operations and changes in its financial position from September through March 31, 2001 have been made. The results are necessarily indicative of the results to be expected for the entire year.

**Cardiff Communications, Inc.**  
Balance Sheet

	March 31, 2001 Unaudited	September 30, 2000
<b>Assets</b>		
<u>Current Assets</u>		
Interest Receivable	\$ 6,334	\$ 4,434
Total Assets	<u>\$ 6,334</u>	<u>\$ 4,434</u>
<b>Liabilities and Stockholders Equity</b>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 16,841	\$ -
Interest Payable	10,500	9,000
Notes Payable (Note 4)	<u>60,000</u>	<u>60,000</u>
Total Liabilities	<u>87,341</u>	<u>69,000</u>
<u>Stockholders Equity</u>		
Common Stock 10,000,000 Shares Authorized at \$.001 Par Value; 6,800,544 Shares Issued and Outstanding	6,801	6,801
Capital in Excess of Par Value	9,199	9,199
Retained Deficit (dated 09/30/97 in Conjunction with Quasi-Reorganization)	(21,007)	(4,566)
Subscriptions Receivable (Note 3)	<u>(76,000)</u>	<u>(76,000)</u>
Total Stockholders Equity (Deficit)	<u>(81,007)</u>	<u>(64,566)</u>
Total Liabilities and Stockholders Equity	<u>\$ 6,334</u>	<u>\$ 4,434</u>

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

**Cardiff Communications, Inc.**  
**Statements of Operations**  
**Unaudited**

	For the Three Months Ended		For the Six Months Ended	
	March	March	March	March
	<u>31, 2001</u>	<u>31, 2000</u>	<u>31, 2001</u>	<u>31, 2000</u>
<u>Revenue</u>				
Interest Income	\$ 950	\$ 950	\$ 1,900	\$ 1,900
<u>Expenses</u>				
General & Administrative	2,772	-	16,841	-
Interest Expense	<u>750</u>	<u>750</u>	<u>1,500</u>	<u>1,500</u>
Net Income Before Taxes	<u>\$ (2,572)</u>	<u>\$ 200</u>	<u>\$ (16,441)</u>	<u>\$ 400</u>
Taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss)	<u>\$ (2,572)</u>	<u>\$ 200</u>	<u>\$ (16,441)</u>	<u>\$ 400</u>
Loss Per Common Share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted Average Shares Outstanding	<u>6,800,544</u>	<u>6,800,544</u>	<u>6,800,544</u>	<u>6,800,544</u>

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

**Cardiff Communications, Inc.**  
**Statements of Cash Flows**  
**Unaudited**

	For the Six Months Ended	
	March	March
	<u>31, 2001</u>	<u>31, 2000</u>
Cash Flows from		
<u>Operating Activities</u>		
Net Income (Loss)	\$ (16,441)	\$ 400
(Increase) in Account Receivable	(1,900)	(1,900)
Increase in Account Payable	<u>18,341</u>	<u>1,500</u>
Net Cash Used by		
Operating Activities	-	-
Cash Flows from		
<u>Investing Activities</u>	<u>-</u>	<u>-</u>
Cash Flows from		
<u>Financing Activities</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in		
Cash & Cash Equivalents	-	-
Cash and Cash Equivalents		
at the Beginning of Period	<u>-</u>	<u>-</u>
Cash and Cash Equivalents		
at End of Period	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Non Cash Disclosure</u>		
Interest	\$ -	\$ -
Taxes	-	-

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

**Cardiff Communications, Inc.**  
Notes to the Financial Statements  
March 31, 2001

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization and Business - The Company was organized on December 8, 1906 in the State of Utah under the name of Cardiff Industries. Subsequently, the name was changed to Cardiff Communications, Inc. . The Company is in the process of changing its domicile to the State of Nevada. The Company s management anticipates merging with an as yet unidentified on-going business in the future.

NOTE 2 -USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. In these financial statements, assets, liabilities and earnings involve extensive reliance on management s estimates. Actual results could differ from those estimates.

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

**ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

Liquidity and Capital Resources. The Registrant has approximately \$(81,007) as operating capital at March 31, 2001. The Registrant intends to raise additional funds as needed through private placements with accredited and sophisticated investors.

Results of Operation. Due to the lack of operations during the quarters ended March 31, 2001 and 2000, the Company had net income (loss) of \$(16,441) and \$400, respectively. Due to the lack of operations during the quarters ended March 31, 2001 and 2000, the registrant had net income (loss) of \$(2,572) and \$200, respectively.

Plan of Operations. The Company is currently in the process of looking for business opportunities to acquire or merge with. There is no guarantee that management will acquire or merge with. There is no guarantee that the Company is also in the process of bringing all of its securities to the Securities and Exchange Commission. During this process, the Company intends to raise capital through private placements.

## 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 a Vote of Security Holders . . . . .	None
Item 5.	Other Information . . . . .	None
Item 6.	Exhibits and Reports on Form 8-K . . . . .	None

## **SIGNATURES**

Pursuant Pursuant to the requirements of the Pursuant to the requirements of the Securities Exchange Act of  
caused this report to be signed on its behalf by the undersigned authorized officer.

Dated May 14, 2001

Cardiff Communications, Inc.

By: \_\_\_\_\_  
Robert Wallace