NEXT GENERATION MEDIA CORP
Form 10KSB
April 06, 2004

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

FORM 10-KSB

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

OR

[ ] 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: 000-28083

NEXT GENERATION MEDIA CORP.
(Exact name of Company as specified in its charter)

Nevada	88-0169543
(State or jurisdiction of incorporation organization)	(I.R.S. Employer or Identification No.)

7644 Dynatech Court, Springfield, Virginia	22153
(Address of principal executive offices)	(Zip Code)

Company's telephone number: (703) 644-0200

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Company (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) been subject to such filing requirements for the past 90 days. Yes X No___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Company's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB [ ].

The Company had $7,031,940 in revenue for the fiscal year ended on December 31, 2003. The aggregate market value of the voting stock held by non-affiliates of the Company as of April 4, 2003: Common Stock, par value $0.001 per share -- $562,403. As of April 4, 2002, the Company had 9,673,397 shares of common stock issued and outstanding, of which 9,373,397 were held by non-affiliates.

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PART I.

RISK FACTORS AND CAUTIONARY STATEMENTS

Forward-looking statements in this report are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The Company wishes to advise readers that actual results may differ substantially from such forward-looking statements. Forward-looking statements include statements concerning underlying assumptions and other statements that are other than statements of historical facts. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the statements, including, but not limited to, the following: the ability of the Company to provide for its obligations, to provide working capital needs from operating revenues, to obtain additional financing needed for any future acquisitions, to meet competitive challenges and technological changes, and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission.

ITEM 1. BUSINESS.

Introduction

Next Generation Media Corporation (the "Company") was incorporated on November 21, 1980, under the laws of the State of Nevada under the name Micro Tech Industries, Inc. On February 6, 1997, an unrelated third party purchased 85.72% of the outstanding stock of Micro Tech Industries, Inc. from its majority shareholder for $50,000 in cash. Effective March 31, 1997, Micro Tech Industries, Inc. changed its name to Next Generation Media Corporation. Management believes that prior to February 6, 1997, the Company was a "shell" company for at least five years without assets and liabilities. Management is unaware of any operating history prior to February 6, 1997.

Reporting Period Principle Services

During the reporting period, the Company operated as a holding company with one wholly-owned operating subsidiary, United Marketing Solutions, Inc. ("United").

The Company acquired United on April 1, 1999. Originally founded in 1981 as United Coupon Corporation, United has operated within the cooperative direct mail industry for twenty years. United has diversified and expanded its product lines and markets to evolve from a coupon company to a full-service marketing provider specializing in three communication mediums: direct mail, direct marketing and Internet marketing. United offers advertising and marketing products and services through a network of franchisees in twenty states, with the largest concentration being in the northeast United States. United provides full-service design, layout, printing, packaging and distribution of marketing products and promotional coupons sold by the franchise network to local market businesses, services providers and professionals as resources to help them generate "trial and repeat" customers. United's core product, the cooperative coupon envelope, reaches in excess of seventeen million mailboxes per year with an estimated four hundred million coupons and other direct mail products.

Competition

The Company's current and future lines of business are highly competitive. Firstly, the advertising business is highly competitive with many firms competing in various forms of media and possessing substantial resources. The direct mail industry is highly fragmented and includes a large number of small and independent cooperative direct mailers in addition to competition from companies for whom coupon advertising is not their primary line of business. In addition, several large firms, notably Val-Pak Direct Marketing Systems, Inc., Money Mailer and Advo, Inc., are direct competitors of United in its direct mail marketing business. Concerning United's Internet business, there is intense competition among web-based advertisers and many of United's competitors are larger and significantly better capitalized than the Company. No assurances can be made that the Company will be successful in attracting the number of Internet customers necessary to implement its Internet business strategy.

Government Regulation

United is subject to state regulation as a franchiser, requiring United to file periodic state registration documents pertaining to the offering of area and regional franchise licenses. Management believes that United is in substantial compliance with the applicable state franchise laws.

Employees

As of December 31, 2003, the Company, through United, had approximately 67 employees. The Company does not have any collective bargaining agreements covering any of its employees, has not experienced any material labor disruption and is unaware of any efforts or plans to organize its employees. The Company considers relations with its employees to be good.

Item 2. Description of Properties

The Company's principal executive and administrative offices are located at 7644 Dynatech Court, Springfield, Virginia 22153. The current yearly rent for this new facility is expected to be approximately $267,892 per year for a term scheduled to expire in 2006. The Company considers these offices to be adequate and suitable for its current needs.

Item 3. Legal Proceedings

Other than as set forth below, the Company is not a party to any material pending legal proceedings and, to the best of its knowledge, no such action by or against the Company has been threatened. The Company is subject to legal proceedings and claims that arise in the ordinary course of its business. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters will not have material adverse effect on its financial position, results of operations or liquidity.

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

On December 15, 2003, at a Meeting of the Shareholders, the Company elected five directors to hold office until the next Annual Meeting of Shareholders or until their successors are duly elected and qualified and ratified the appointment of Turner and Jones LLP as independent auditors for fiscal year 2003.

PART II.

Item 5. Market For Common Equity And Related Stockholder Matters.

Market Information

The Company's Common Stock has been and is currently traded on the over-the-counter market and quotations are published on the OTC Bulletin Board under the symbol "NGMC" and began trading on June 11, 2001.

The following table sets forth the range of high and low bid prices of the Common Stock for each fiscal quarterly period. Prices reported represent prices between dealers, do not include retail markups, markdowns or commissions and do not represent actual transactions.

Per Share Common Stock Bid Prices by Quarter
For the Fiscal Year Ended on December 31, 2003

	High	Low
Quarter Ended December 31, 2003	.28	.075
Quarter Ended September 30, 2003	.17	.013
Quarter Ended June 30, 2003	.06	.025
Quarter Ended March 31, 2003	.10	.012

Per Share Common Stock Bid Prices by Quarter
For the Fiscal Year Ended on December 31, 2002

	High	Low
Quarter Ended December 31, 2002	.05	.011
Quarter Ended September 30, 2002	.08	.015
Quarter Ended June 30, 2001	.11	.035
Quarter Ended March 31, 2001	.40	.065

The ability of individual stockholders to trade their shares in a particular state may be subject to various rules and regulations of that state. A number of states require that an issuer's securities be registered in their state or appropriately exempted from registration before the securities are permitted to trade in that state. Presently, the Company has no plans to register its securities in any particular state. Further, most likely the Company's shares will be subject to the provisions of Section 15(g) and Rule 15g-9 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), commonly referred to as the "penny stock" rule. Section 15(g) sets forth certain requirements for transactions in penny stocks and Rule 15g-9(d)(1) incorporates the definition of penny stock as that used in Rule 3a51-1 of the Exchange Act.

The Commission generally defines penny stock to be any equity security that has a market price less than $5.00 per share, subject to certain exceptions. Rule 3a51-1 provides that any equity security is considered to be a penny stock unless that security is: registered and traded on a national securities exchange meeting specified criteria set by the Commission; authorized for quotation on The NASDAQ Stock Market; issued by a registered investment company; excluded from the definition on the basis of price (at least $5.00 per share) or the issuer's net tangible assets (at least $2 million); or exempted from the definition by the Commission. If the Company's shares are deemed to be a penny stock, trading in the shares will be subject to additional sales practice requirements of broker-dealers who sell penny stocks to persons other than established customers and accredited investors, generally persons with assets in excess of $1,000,000 or annual income exceeding $200,000, or $300,000 together with their spouse.

For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of such securities and must have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the rules require the delivery, prior to the first transaction, of a risk disclosure document relating to the penny stock market. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, and current quotations for the securities. Finally, monthly statements must be sent disclosing recent price information for the penny stocks held in the account and information on the limited market in penny stocks. Consequently, these rules may restrict the ability of broker-dealers to trade and/or maintain a market in the Company's Common Stock and may affect the ability of stockholders to sell their shares.

Holders of Common Equity

As of April 4, 2004, there were approximately 800 shareholders of record of the Company's common stock.

Dividend Information

The Company has not declared or paid cash dividends on its Common Stock or made distributions in the past, and the Company does not anticipate that it will pay cash dividends or make cash distributions in the foreseeable future, other than non cash dividends described below. The Company currently intends to retain and invest future earnings, if any, to finance its operations.

Transfer Agent

The transfer agent and registrar for our common stock is OTR Transfer Agency.

Item 6. Management's Discussion and Analysis Of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with the financial statements and notes thereto in this document. The statements contained in this report that are not historical facts, including without limitation, statements containing the words "believes", "anticipates", "estimates", "expects", and words of similar import, constitute `forward-looking statements.' Forward looking statements are made based upon management's current expectations and beliefs concerning future developments and their potential effects upon us. The Company's actual results could differ materially from those anticipated for many reasons, including risks faced by it as described in this document under "Risk Factors".

The following Management Discussion and Analysis should be read in conjunction with the financial statements and accompanying notes included in this Form 10-KSB.

Year Ended December 31, 2003 Compared To Year Ended December 31, 2002

Total revenues decreased approximately 4.0%, from $7,325,085 in 2002 to $7,031,942 in 2003. The Company explains the decrease due to the retirement of a large franchisee. Total operating expenses decreased approximately 3%, from $6,913,565 in 2003 to $7,141,502 in 2002. Printing costs, postage and delivery, other production costs, selling expenses, franchise development expense, and depreciation and amortization, stayed approximately constant as in 2002, with a reduction in direct labor attributing to the reduction in operating expenses. General and administrative expenses increased approximately 19% from $1,627,807 in 2002 to $2,023,514 in 2003. This increase is primarily due to an increase in payroll.

Year Ended December 31, 2002 Compared To Year Ended December 31, 2001

Total revenues increased approximately 2.0%, from $7,223,285 in 2001 to $7,325,085 in 2002. The Company explains the increase by the further development of its business plan in coordination with increasing franchisees. Total operating expenses decreased approximately 10%, from $7,909,826 in 2001 to $7,141,502 in 2002. Printing costs, postage and delivery, other production costs, selling expenses, franchise development expense, and depreciation and amortization, which aggregate to $5,369,828, stayed approximately constant as in 2001, which is comparable to the increase in total revenues discussed above. General and administrative expenses decreased approximately 32% from $2,618,765 in 2001 to $1,627,807 in 2002. This decrease is primarily due to a reduction in rent and pass through expenses, as well as bad debt expense.

LIQUIDITY AND CAPITAL RESOURCES

Year Ended December 31, 2003 Compared To Year Ended December 31, 2002

The Company has relied primarily on funds generated from revenues, the issuance of common stock and use of its line of credit to finance its operations and expansion. As of December 31, 2002, the Company had cash and cash equivalents of $125,356, compared to $123,013 at December 31, 2003. Cash provided in operating activities was $73,962 in 2002, compared to cash provided by operating activities of $147,309 in 2003. This was primarily due to a decrease in accounts payable to $253,409, the absence of deferred compensation and a decreased use of payment for services through the use of common stock of the Company, from $46,000 in 2003 to $148,000 in 2002. Cash used in investing activities was $112,758 in 2002, compared to cash used of $96,705 in 2003. Cash used by financing activities was $35,153 in 2002, compared to $52,947 in 2003.

Year Ended December 31, 2002 Compared To Year Ended December 31, 2001

The Company has relied primarily on funds generated from its revenues, the issuance of common stock and use of its line of credit to finance its operations and expansion. As of December 31, 2002, the Company had cash and cash equivalents of $125,356, compared to $199,305 at December 31, 2001. Cash provided in operating activities was $73,962 in 2002, compared to cash used by operating activities of $563,760 in 2001. This was primarily due to the increase in receivables to $138,056, a decrease in accounts payable to $485,612 and an increased use of payment for services through the use of common stock of the Company, from $54,590 in 2001 to $148,000 in 2002. Cash used in investing activities was $112,758 in 2002, compared to cash provided of $57,312 in 2001. The change was primarily due to the removal of goodwill in the sale of a subsidiary of $180,800 and an increase in that due to related parties of $122,288 in 2001, coupled with the purchase of new equipment in 2002. Cash used by financing activities was $35,153 in 2002, compared to $558,554 in 2001. The decrease was primarily due to the settlement of a note payable of $500,000.

While the Company has raised capital to meet its working capital and financing needs in the past, additional financing may be required in order to meet the Company's current and projected cash flow deficits from operations. As previously mentioned, the Company has obtained financing in the form of equity in order to provide the necessary working capital. The Company currently has no other commitments for financing. There are no assurances the Company will be successful in raising the funds required.

The Company has issued shares of its common stock from time to time in the past to satisfy certain obligations, and expects in the future to also acquire certain services, satisfy indebtedness and/or make acquisitions utilizing authorized shares of the capital stock of the Company. During the year ended December 31, 2003, the Company issued 1,000,000 shares of common stock for services rendered.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, operations of the Company may be exposed to fluctuations in interest rates. These fluctuations can vary the cost of financing, investing, and operating transactions. Because the Company has only fixed rate short-term debt, there are no material impacts on earnings due to fluctuations in interest rates.

New Accounting Pronouncements

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities." Interpretation 46 changes the criteria by which one company includes another entity in its consolidated financial statements. Previously, the criteria were based on control through voting interest. Interpretation 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. A company that consolidates a variable interest entity is called the primary beneficiary of that entity. The consolidation requirements of Interpretation 46 apply immediately to variable interest entities created after January 31, 2003. The consolidation requirements apply to older entities in the first fiscal year or interim period beginning after June 15, 2003. Certain of the disclosure requirements apply in all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. The Company does not expect the adoption to have a material impact to the Company's financial position or results of operations.

In April 2003, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 149, AMENDMENT OF STATEMENT 133 ON DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES. SFAS 149 amends SFAS No. 133 to provide clarification on the financial accounting and reporting of derivative instruments and hedging activities and requires that contracts with similar characteristics be accounted for on a comparable basis. The provisions of SFAS 149 are effective for contracts entered into or modified after June 30, 2003, and for hedging relationships designated after June 30, 2003. The adoption of SFAS 149 will not have a material impact on the Company's results of operations or financial position.

In May 2003, the FASB issued SFAS No. 150, ACCOUNTING FOR CERTAIN FINANCIAL INSTRUMENTS WITH CHARACTERISTICS OF BOTH LIABILITIES AND EQUITY. SFAS 150 establishes standards on the classification and measurement of certain financial instruments with characteristics of both liabilities and equity. The provisions of SFAS 150 are effective for financial instruments entered into or modified after May 31, 2003 and to all other instruments that exist as of the beginning of the first interim financial reporting period beginning after June 15, 2003. The adoption of SFAS 150 will not have a material impact on the Company's results of operations or financial position.

Forward Looking Statements.

The foregoing Managements Discussion and Analysis of Financial Condition and Results of Operations "forward looking statements" within the meaning of Rule 175 under the Securities Act of 1933, as amended, and Rule 3b-6 under the Securities Act of 1934, as amended, including statements regarding, among other items, the Company's business strategies, continued growth in the Company's markets, projections, and anticipated trends in the Company's business and the industry in which it operates. The words "believe," "expect," "anticipate," "intends," "forecast," "project," and similar expressions identify forward-looking statements. These forward-looking statements are based largely on the Company's expectations and are subject to a number of risks and uncertainties, including but not limited to, those risks associated with economic conditions generally and the economy in those areas where the Company has or expects to have assets and operations; competitive and other factors affecting the Company's operations, markets, products and services; those risks associated with the Company's ability to successfully negotiate with certain customers, risks relating to estimated contract costs, estimated losses on uncompleted contracts and estimates regarding the percentage of completion of contracts, associated costs arising out of the Company's activities and the matters discussed in this report; risks relating to changes in interest rates and in the availability, cost and terms of financing; risks related to the performance of financial markets; risks related to changes in domestic laws, regulations and taxes; risks related to changes in business strategy or development plans; risks associated with future profitability; and other factors discussed elsewhere in this report and in documents filed by the Company with the Securities and Exchange Commission. Many of these factors are beyond the Company's control. Actual results could differ materially from these forward-looking statements. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this Form 10-KSB will, in fact, occur. The Company does not undertake any obligation to revise these forward-looking statements to reflect future events or circumstances and other factors discussed elsewhere in this report and the documents filed or to be filed by the Company with the Securities and Exchange Commission.

Inflation

In the opinion of management, inflation has not had a material effect on the operations of the Company.

Trends, Risks and Uncertainties

The Company has sought to identify what it believes to be the most significant risks to its business as discussed in "Risk Factors" above, but cannot predict whether or to what extent any of such risks may be realized nor can there be any assurances that the Company has identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to the Company's stock.

Limited operating history; anticipated losses; uncertainly of future results

The Company has a moderately limited operating history upon which an evaluation of the Company and its prospects can be based. The Company's prospects must be evaluated with a view to the risks encountered by a company in varying stages of development, particularly in light of the uncertainties relating to the business model that the Company intends to market and the potential acceptance of the Company's business model. The Company will be incurring costs to develop, introduce and enhance its products, to establish marketing relationships, to acquire and develop products that will complement each other, and to build an administrative organization. To the extent that such expenses are not subsequently followed by commensurate revenues, the Company's business, results of operations and financial condition will be materially adversely affected. There can be no assurance that the Company will be able to generate sufficient revenues from the sale of its products and services. If cash generated by operations is insufficient to satisfy the Company's liquidity requirements, the Company may be required to sell additional equity or debt securities. The sale of additional equity or convertible debt securities would result in additional dilution to the Company's shareholders.

Potential fluctuations in quarterly operating results may fluctuate significantly in the future as a result of a variety of factors, most of which are outside the Company's control including: the demand for the Company's products and services; seasonal trends in demand and pricing of products and services; the amount and timing of capital expenditures and other costs relating to the expansion of the Company's operations; the introduction of new services and products by the Company or its competitors; price competition or pricing changes in the industry; political risks and uncertainties involving the world's markets; technical difficulties and general economic conditions. The Company's quarterly results may also be significantly affected by the impact of the accounting treatment of acquisitions, financing transactions or other matters. Such accounting treatment can have a material impact on the results for any quarter. Due to the foregoing factors, among others, it may be that the Company's operating results will fall below the expectations of the Company or investors in some future quarter.

Management of Growth

The Company may experience growth in the number of employees relative to its current levels of employment and the scope of its operations. In particular, the Company may need to hire sales, marketing and administrative personnel. Additionally, acquisitions could result in an increase in employee headcount and business activity. Such activities could result in increased responsibilities for management. The Company believes that its ability to increase its customer support capability and to attract, train, and retain qualified technical, sales, marketing, and management personnel, will be a critical factor to its future success. In particular, the availability of qualified sales and management personnel is quite limited, and competition among companies to attract and retain such personnel is intense. During strong business cycles, the Company may experience difficulty in filling its needs for qualified sales, and other personnel.

The Company's future success will be highly dependent upon its ability to successfully manage the expansion of its operations. The Company's ability to manage and support its growth effectively will be substantially dependent on its ability to implement adequate financial and management controls, reporting systems, and other procedures and hire sufficient numbers of financial, accounting, administrative, and management personnel. The Company is in the process of establishing and upgrading its financial accounting and procedures. There can be no assurance that the Company will be able to identify, attract, and retain experienced accounting and financial personnel. The Company's future operating results will depend on the ability of its management and other key employees to implement and improve its systems for operations, financial control, and information management, and to recruit, train, and manage its employee base. There can be no assurance that the Company will be able to achieve or manage any such growth successfully or to implement and maintain adequate financial and management controls and procedures, and any inability to do so would have a material adverse effect on the Company's business, results of operations, and financial condition.

The Company's future success depends upon its ability to address potential market opportunities while managing its expenses to match its ability to finance its operations. This need to manage its expenses will place a significant strain on the Company's management and operational resources. If the Company is unable to manage its expenses effectively, the Company's business, results of operations, and financial condition will be materially adversely affected.

Risks associated with acquisitions

Although the Company does not presently intend to do so, as part of its business strategy in the future, the Company could acquire assets and businesses relating to or complementary to its operations. Any acquisitions by the Company would involve risks commonly encountered in acquisitions of companies. These risks would include, among other things, the following: the Company could be exposed to unknown liabilities of the acquired companies; the Company could incur acquisition costs and expenses higher than it anticipated; fluctuations in the Company's quarterly and annual operating results could occur due to the costs and expenses of acquiring and integrating new businesses or technologies; the Company could experience difficulties and expenses in assimilating the operations and personnel of the acquired businesses; the Company's ongoing business could be disrupted and its management's time and attention diverted; the Company could be unable to integrate successfully.

Item 7. Financial Statements.

Comparative Audited Financial Statements as of and for the year ended December 31, 2003, and for the year ended December 31, 2002 are presented in a separate section of this report following Part IV.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Other than as presented below, there were no changes in or disagreements with Accountants on Accounting and Financial Disclosure.

PART III.

Item 9. Directors, Executive Officers and Compliance With Section 16(A) of the Exchange Act.

Officers and Directors.

The names, ages, and respective positions of the directors, executive officers, and key employees of the Company are set forth below; there are no other promoters or control persons of the Company. The directors named below will serve until the next annual meeting of the Company's stockholders or until their successors are duly elected and have qualified. Directors are elected for a one-year term at the annual stockholders' meeting. Officers will hold their positions at the will of the board of directors, absent any employment agreement. The directors and executive officers of the Company are not a party to any material pending legal proceedings and, to the best of their knowledge, no such action by or against them has been threatened.

Darryl Reed, President/CEO/Director

Mr. Darryl Reed is the current President of the Company. His background includes seven years in the financial services industry. His primary career has been with New York Life Insurance Company, a major insurance company, and certain of its subsidiaries since October 1995. Such subsidiaries included #1A Eagle Strategies Corp., a registered investment adviser, where Mr. Reed worked from April 1997 until May 2000. Mr. Reed holds several licenses in the financial services industry, including Series 7, 63 and 65. He has a BS in Finance from the University of Florida and an MS from the American College, Philadelphia, PA.

Leon Zajdel, Director, Chairman of the Board

Leon Zajdel has been a director of the Company since April 1999. Mr. Zajdel was founder and has served as President of Energy Guard Corp., a manufacturer and retailer of replacement windows, located in Beltsville, MD, since 1972.

Phillip Trigg, Treasurer, Secretary and Director

Phillip Trigg has been secretary and treasurer since November 2000. Mr. Trigg has served with United Marketing Solutions since August 1995 in a variety of positions including Senior Vice President of Franchise Sales and Business Development and COO.

Melissa Held, Director

Ms. Held was appointed to the Board of Directors in November 2002. She possesses an extensive background in financial management and real estate. Ms. Held has served with Merril Lynch in a variety of positions over the past eight years, as a Sales Associate from 1994 to 1998, as a Senior Sepcialist, Interactive Technology from 1998 to 2000 and as Asst. Vice President, Consultative Training Services from 2000 to present. Ms. Held has a BA in Communications from Hollins College (1993).

Fernando Mathov, Director

Mr. Mathov was appointed to the Board of Directors in February 2003. He possesses an extensive background as a project manager, systems engineer and consultant in the telecommunications industry with various companies. Currently Mr. Mathov holds two positions, as a Technical Solutions Manager from 1997 to the present at Media and Entertainment Vertical EMC Corporation, and as a Project Manager at Informix Software from 1994 to the present. Mr. Mathov has a BS in Computer Science (1989) and an MBA in Management Science (1991), both from Virginia Polytechnic Institute and State University.

(b) Compliance with Section 16(a) of the Exchange Act.

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors, certain officers and persons holding 10% or more of the Company's common stock to file reports regarding their ownership and regarding their acquisitions and dispositions of the Company's common stock with the Securities and Exchange Commission. Such persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

In the event that it is determined that compliance with Section 16(a) of the Exchange Act is required by the Securities and Exchange Act, it is the Company's position that all required forms have been filed through year end represented by this report, December 31, 2003.

ITEM 10. EXECUTIVE COMPENSATION.

The following table sets forth certain information relating to the compensation paid by the Company during the last three fiscal years to the Company's President. No other executive officer of the Company received total salary and bonus in excess of $100,000 during the fiscal year ended April 30, 2003 and prior.

Summary Compensation Table

Name and principal position	Year	Salary ($)	Bonus ($)	Other annual compensation ($)	Restricted stock award(s) ($)	Securities underlying options/SARs (#)	LTIP payouts ($)	All com
		Annual compensation			Long-term Compensation Awards		Payouts	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Darryl Reed, President	2003	165,000	0	0	0	0	0	
	2002	150,000	0	0	0	0	0	
	2001(2)	36,000(1)	0	0	0	0	0	

(1) As of October 1, 2001, the Company agreed to begin compensating Mr. Reed at a yearly rate of $150,000, but only paid Mr. Reed approximately $5,000 through the end of the year, leaving a balance due of approximately $30,000.

(2) Subsequent to the fiscal year end, the Company entered into a formal three-year employment agreement with Mr. Reed. Terms include an initial year at $150,000, with an increase of ten percent per year, along with 300,000 stock options at a strike price of $0.02, along with annual cash and stock bonuses based upon performance, a car allowance and life and medical insurance.

Item 11. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth information regarding the beneficial ownership of shares of the Company's common stock as of December 31, 2003 (issued and outstanding) by (i) all stockholders known to the Company to be beneficial owners of more than ten percent of the outstanding common stock; and (ii) all directors and executive officers of the Company as a group:

Title of Class	Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Owner (2)	Percent of Class
Common Stock	Darryl Reed	3,001,546	0%
Common Stock	Leon Zajdel	478,747	0%
Common Stock	Melissa Held	100,000	0%
Common Stock	Phillip Trigg	200,000	0%
Common Stock	Fernando Mathov	100,000	0%
	All five persons listed above, Together	3,880,292	0%

(1) The address for all persons listed is 7644 Dynatech Court, Springfield, VA, 22153. Each person has sole voting power and sole right to dispose as to all of the shares shown as beneficially owned by them except as footnoted.

Insurance Plans

The Company makes available to all full-time employees medical and dental plan benefits. Employees are eligible to participate in company insurance plans when they complete 90 days of service with the Company.

Other Benefit Plans

401(k) Plan. The Company makes available a 401(k) Savings Plan (the "401(k) Plan"), a federally-qualified, tax-deferred plan administered by a third party. The 401(k) Plan provides participants with savings or retirement benefits based on employee deferrals of compensation, as well as any matching and other discretionary contributions made by the Company. Employees are eligible to participate in the 401(k) Plan when they complete one month of service with the Company and have attained the age of 18. The employee can defer up to 15% of the compensation amount earned within a calendar year, not to exceed the ceiling set forth annually by the Internal Revenue Service. The Company matches the employee's contribution to the 401(k) Plan dollar-for-dollar up to 3% of the employee' annual salary. Participants become vested in any employer contributions to the 401(k) Plan after two years of service at a rate of 20% for each completed year of service. A participant is always 100% vested in his or her salary reduction contributions to the 401(k) Plan.

Stock Option Plan.

The Company has also filed a Stock Option Plan for Employees on Form S-8 in December 2001. The Company had not issued any Stock Options pursuant to the Plan included therein to any employees as of December 31, 2003.

Item 12. Certain Relationships and Related Transactions.

During the past two years, and as not otherwise disclosed of in any other filing, there have not been any transaction that have occurred between the Company and its officers, directors, and five percent or greater shareholders, unless listed below.

Certain of the officers and directors of the Company are engaged in other businesses, either individually or through partnerships and corporations in which they have an interest, hold an office, or serve on a board of directors. As a result, certain conflicts of interest may arise between the Company and its officers and directors. The Company will attempt to resolve such conflicts of interest in favor of the Company. The officers and directors of the Company are accountable to it and its shareholders as fiduciaries, which requires that such officers and directors exercise good faith and integrity in handling the Company's affairs. A shareholder may be able to institute legal action on behalf of the Company or on behalf of itself and other similarly situated shareholders to recover damages or for other relief in cases of the resolution of conflicts is in any manner prejudicial to the Company.

Item 13. Exhibits, Financial Statement Schedules, And Reports On Form 8-K.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of
Next Generation Media Corporation
7644 Dynatech Court
Springfield, VA 22153

We have audited the accompanying consolidated balance sheet of Next Generation Media Corporation (a Nevada Incorporation) as of December 31, 2003, and the related consolidated statements of income, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2003. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit according to generally accepted auditing standards of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Next Generation Media Corporation as of December 31, 2003, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

Vienna, Virginia
March 23, 2004

Next Generation Media Corporation
Consolidated Balance Sheet
As of December 31, 2003

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents (Note 1)	$ 123,013
Accounts receivable, net of uncollectible accounts (Notes 1 and 9)	411,256
Notes receivable (Note 9)	321,279
Accrued interest receivable	-
Inventories (Note 1)	66,410
Employee loans and advances	2,283
Deposits	41,200
Prepaid expenses and other current assets	2,951

Total current assets	968,392
PROPERTY, PLANT AND EQUIPMENT (Notes 1 and 3):	
Equipment	1,397,793
Furniture and fixtures	61,348
Leasehold improvements	80,644
Computer Equipment/Software	17,889
Vehicles	9,200
Total property, plant and equipment	1,566,874
Less accumulated depreciation	(1,191,372)
Net property, plant and equipment	375,502
Intangibles, net of accumulated amortization (Note 10)	686,512
TOTAL ASSETS	2,030,406

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:	
Obligation under capital lease, current portion	9,753
Notes payable, current portion (Note 4)	99,190
Accounts payable	123,608
Accrued expenses	57,753
Wages payable	98,250
Pension payable	4,959
Sales tax payable	207,684
Total current liabilities	601,197
LONG TERM LIABILITIES:	
Notes payable (Note 4)	18,815
Obligation under capital lease	43,660
Total long term liabilities	62,475
Total liabilities	663,672
STOCKHOLDERS' EQUITY (Note 8):	
Common stock, $.01 par value, 50,000,000 shares authorized, 10,523,397 issued and outstanding	105,234
Additional paid in capital	7,379,744
Accumulated deficit	(6,118,244)
Total stockholders' equity	1,366,734
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	2,030,406

See accompanying notes and accountant's audit report

Next Generation Media Corporation
Consolidated Statements of Income
For The Years Ended December 31, 2003 and 2002

	2003	2002
REVENUES (Note 1) :		
Coupon sales, net discounts	$ 6,826,890	$7,223,285
Franchise fees	205,050	101,800

Total revenues	7,031,940	7,325,085
COST OF GOODS SOLD:		
Materials	982,941	1,081,976
Direct labor	1,482,844	1,850,059
Equipment repairs	18,435	64,605
Postage and delivery	2,137,646	2,231,852
Group Insurance	129,009	143,867
Other costs	25,649	-
Payroll taxes	113,527	141,336
Total cost of goods sold	4,890,051	5,513,695
Gross margin	2,141,889	1,811,390
GENERAL AND ADMINISTRATIVE EXPENSES:		
401(k) administration fees	5,942	1,400
401(k) matching (Note 2)	42,000	20,572
Advertising (Note 1)	34,817	6,818
Amortization (Note 10)	135,686	135,685
Bad debt expense	30,000	58,905
Bank charges	19,560	7,087
Commissions and fees	106,000	11,697
Depreciation (Notes 1 and 3)	121,995	166,122
Franchise development	60,494	-
Insurance	37,427	37,361
Meals and entertainment	5,321	12,353
Office expense	67,441	34,189
Other expenses	19,675	24,293
Payroll	668,542	454,214
Payroll taxes	57,368	22,716
Postage and delivery	-	4,852
Professional fees	146,662	255,892
Property taxes	9,207	18,442
Rent and pass thru expenses (Note 5)	273,453	180,607
Repairs and maintenance	27,589	30,894
Taxes & licenses	5,927	-
Telephone	29,334	48,188
Temporary help	26,584	-
Travel and conferences	20,295	28,818
Utilities	56,839	66,702
Vehicle expenses	15,356	-
Total general and administrative	2,023,514	1,627,807
Gain/(Loss) from operations	118,375	183,583
OTHER INCOME AND EXPENSES:		
Gain/loss of settlements	-	(65,000)
Other income	22,720	-
Forgiveness of debt	-	105,535
Interest expense	-	(22,825)
Interest income	(6,196)	-
Lawsuit settlement	27,207	
Gain/loss on disposal of equipment	-	2,230
Total other income (expense)	43,731	19,940
Gain/(Loss) before provision for income tax	162,106	203,523
Provision for income tax (Note 9):	-	-

Net income	162,106	203,523
Gain/(loss) applicable to common shareholders	162,106	203,523
Basic income/(loss) per common share (Note 1)	0.02	0.02
Weighted average common shares outstanding	10,222,985	9,239,698
Diluted income/(loss) per common share (Note 1)	0.01	0.02
Fully diluted common shares outstanding	13,739,149	11,051,368

See accompanying notes and accountant's audit report

Next Generation Media Corporation
Consolidated Statements of Stockholders' Deficit

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	To
	Shares	Amount			
Balance: December 31, 2001	6,773,397	67,734	7,186,284	(6,483,873)	77
Common stock issued in exchange for services	1,450,000	14,500	70,500	-	8
Employee stock options	-	-	36,960	-	3
Common stock issued in exchange for services	2,000,000	20,000	78,000	-	9
Cancellation of issued shares due to non performance (Note 8)	(700,000)	(7,000)	(28,000)	-	(3
Net Income	-	-	-	203,523	2
Balance: December 31, 2002	9,523,397	95,234	7,343,744	(6,280,350)	1,1
Common stock issued in exchange for services	1,000,000	10,000	36,000	-	
Net Income	-	-	-	162,106	1
Balance: December 31, 2003	10,523,397	105,234	7,379,744	(6,118,244)	1,

See accompanying notes and accountant's audit report

Next Generation Media Corporation
Statement of Cash Flows
For The Years Ended December 31, 2003 and 2002

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 162,106	$ 203,523
Adjustments to reconcile net income to net cash provided by operating activities:		

Stock issued for services	46,000	148,000
Depreciation and amortization	257,680	298,656
(Increase)/decrease in assets		
Receivables	(77,398)	(138,056)
Inventories	(10,502)	(5,930)
Deferred compensation	-	73,921
Prepaids and other current assets	64,256	(56,752)
Increase/(decrease) in liabilities		
Accounts payable	(253,409)	(485,612)
Accrued expenses	(41,424)	132,598
Deferred revenue	-	(96,386)
Net cash flows provided/(used) by operating activities	147,309	73,962
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(96,705)	(112,758)
Net cash used by investing activities	(96,705)	(112,758)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of options	-	36,960
Borrowing under capital lease	60,063	-
Repayment of notes payable and capital lease	(113,010)	(72,113)
Net cash provided by financing activities	(52,947)	(35,153)
NET INCREASE (DECREASE) IN CASH	(2,343)	(73,949)
CASH, BEGINNING OF PERIOD	125,356	199,305
CASH, END OF PERIOD	123,013	125,356
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
CASH PAID DURING THE YEAR FOR:		
Income taxes	-	-
Interest	6,196	22,825
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSCATIONS:		
Common stock issued for services	46,000	148,000

See accompanying notes and accountant's audit report

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business:

Next Generation Media Corporation was incorporated in the State of Nevada in November of 1980 as Micro Tech Industries, with an official name change to Next Generation Media Corporation in April of 1997. The Company, through its wholly owned subsidiary, United Marketing Solutions, Inc., provides direct marketing products, which involves the designing, printing, packaging, and mailing of public relations and marketing materials and coupons for retailers who provide services. Sales are conducted through a network of franchises that the Company supports on a wholesale basis. At December 31, 2003, the Company had approximately 46 active area franchise license agreements located throughout the United States.

Property and Equipment:

Property and equipment are stated at cost. The company uses the straight-line method in computing depreciation for financial statement purposes.

Expenditures for repairs and maintenance are charged to income, and renewals and replacements are capitalized. When assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are removed from the accounts.

Estimated useful lives are as follows:

Furniture, fixtures and equipment	7-10 years
Leasehold Improvements	10 years
Vehicles	5 years
Computer & Software	5 years

Depreciation expense for the years ended December 31, 2003 and 2002 amounted to $121,995 and $166,122 respectively.

Intangibles:

The Company has recorded goodwill based on the difference between the cost and the fair value of certain purchased assets and it is being amortized on a straight-line basis over the estimated period of benefit, which ranges from five (5) to ten (10) years. The Company periodically evaluates the goodwill for possible impairment by comparing future projected cash flows to the carrying value of the goodwill. Any excess goodwill would be written off due to impairment. In addition, the Company has a covenant not to compete, which is being amortized over five (5) years.

Advertising Expense:

The Company expenses the cost of advertising and promotions as incurred. Advertising costs charged to operations for the years ended December 31, 2003 and 2002 were $34,817 and $6,818 respectively.

Revenue Recognition:

The Company recognizes revenue from the design, production and printing of coupons upon delivery. Revenues from initial franchise fee is recognized when substantially all services or conditions relating to the sale have been substantially performed. Franchise support and other fees are recognized when billed to the franchisee. Amounts billed or collected in advance of final delivery or shipments are reported as deferred revenue.

Impairment of Long-Lived Assets:

The Company reviews the carrying values of its long-lived assets for possible impairment on a periodic basis and whenever events or changes in circumstances indicate that the carrying amount of the assets should be addressed. The Company believes that no permanent impairment in the carrying value of long-lived assets exists for either of the two years ending December 31, 2003 and 2002.

Comprehensive Income:

The Company has adopted Statement of Financial Accounting Standards No. 130 "Reporting Comprehensive Income." Comprehensive income as defined includes all changes to equity except that resulting from investments by owners and distribution to owners. The Company has no item of comprehensive income to report.

Reclassifications:

Certain prior year amounts have been reclassified to conform to the current year presentation.

New Accounting Pronouncements:

In June of 1998, the Financial Accounting Standards Board issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. The new standard requires that all companies record derivatives on the balance sheet as assets or liabilities, measured at fair value. Gains or losses resulting from changes in the values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. The Company does not use derivative instruments either in hedging or as investments. The Company will adopt this accounting standard, as amended, on January 1, 2001. The standard has no material impact on the financial statements for the periods ending December 31, 2003 and 2002.

Use of Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes:

The Corporation uses Statement of Financial Standards No. 109 Accounting for Income Taxes (SFAS No. 109) in reporting deferred income taxes. SFAS No. 109 requires a company to recognize deferred tax liabilities and assets for expected future income tax consequences of events that have been recognized in the company's financial statements. Under this method, deferred tax assets and liabilities are determined based on temporary differences in financial carrying amounts and the tax bases of assets and liabilities using enacted tax rates in effect in the years in which temporary differences are expected to reverse.

Risks and Uncertainties:

The Company operates in an environment where intense competition exists from other companies. This competition, along with increases in the price of paper, can impact the pricing and profitability of the Company.

Accounts Receivable:

The Corporation grants credit to its customers, which includes the retail sector and their own franchisees. The Company establishes an allowance for doubtful accounts based upon on a percentage of accounts receivable plus those balances the Company believes will be uncollectible. Allowance for uncollectible accounts as of December 31, 2003 were $73,314.

Cash and Cash Equivalents:

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Earnings Per Common Share:

The Company calculates its earnings per share pursuant to Statement of Financial Accounting Standards No. 128, "Earnings per Share" ("SFAS No. 128"). Under SFAS No. 128, basic earnings per share are computed by dividing reported earnings available to common stockholders by weighted average shares outstanding. Dilated earnings per share reflects the potential dilution assuming the issuance of common shares for all potential dilative common shares outstanding during the period. The Company had 3,690,000 and 1,562,500 options issued and outstanding as of December 31, 2003 and 2002 to purchase stock.

Inventories:

Inventories consist primarily of paper, envelopes, and printing materials and are stated at the lower of cost or market, with cost determined on the first-in, first-out method.

Principles of Consolidation:

The accompanying consolidated financial statements include the accounts of the parent company, Next Generation Media Corporation and its subsidiaries for the periods ended December 31, 2003 and 2002.

NOTE 2 - RETIREMENT PLAN

The company maintains a 401(k) defined contribution plan covering substantially all employees. The Corporation may contribute up to 3% of each eligible employee's gross wages. Employees can elect up to 12% of their salary to be contributed before income taxes up to the annual limit set by the Internal Revenue Code. The Corporation contributed $20,572 for 2002 and estimates it will contribute $42,000 for 2003.

NOTE 3 - PROPERTY, PLANT & EQUIPMENT

Property, Plant and Equipment consists of the following:

December 31, 2003

Furniture, fixtures and equipment	$ 61,348
Equipment	1,397,793
Computer Equipment/Software	17,889
Vehicles	9,200
Leasehold improvements	80,644
	$1,566,874
Accumulated depreciation and amortization	(1,191,372)
Net property and equipment	375,502

NOTE 4 - NOTES PAYABLE

Notes payable consists of the following:

December 31, 2003

Obligation to CIT Group, bearing interest at 10%, the loan is payable

in fifty-six monthly installments of $500, including interest, and is collateralized by the property and equipment of the Company.	$ 12,497
Promissory note payable to former executive, payable in twenty-four installments of $3,452 at 0% interest	$ 31,875
Note payable to Capital York, unsecured with payments Inclusive of interest of $1,000 per month	$ 19,500
Note payable to Western Washington no set repayment Schedule or interest, repayment is in the form of Production credits	$ 3,429
Obligation to PS Business Parks bearing interest at 5%. The loan is payable in thirty-six monthly installments of $3,896, including interest, and is collateralized by the property and equipment of the Company.	$ 49,204
Obligation to Xerox in twenty-four monthly installments of $500. The obligation is collateralized by the good faith of the Company.	$ 1,500
Total Notes Payable	$118,005
Less: Current portion	$ 99,190
Long-term portion	$ 18,815

The five year schedule of maturities is:

2004	$99,190
2005	16,972
2006	1,843
Thereafter	0
	$118,005

NOTE 5 - COMMITMENTS AND CONTINGENCIES

The Company changed the location of its corporate headquarters and main operating facility on February 1, 2002.

Future minimum annual lease payments for capital and operating leases as of December 31, 2003 are:

	Operating	Capital
2004	281,349	14,628
2005	282,780	14,628
2006	280,006	14,628
2007	23,409	14,628
2008	0	6,095
Thereafter	0	0
Total	867,544	64,607

Rent expense for the years ended December 31, 2003 and 2002 were $273,453 and $180,607.

The Company has entered into various future employment contracts. The contracts provided for the award of present and/or future shares of common stock and/or options to purchase common stock at fair market value of the underlying options at date of grant or vesting. The contracts can be terminated without cause upon written notice within thirty to ninety days.

The Company is party to various legal matters encountered in the normal course of business. In the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the Company's financial position or the future results of operations.

NOTE 6 - INCOME TAXES

Deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases.

Management has provided a valuation allowance for net deferred tax assets as of December 31, 2003 and 2002, as they believe that it is more likely than not that the entire amount of deferred tax assets will not be realized.

The company filed a consolidated return, with a tax liability of $0 for the year 2003. At December 31, 2003, the Company had net operating loss carry forwards for federal income tax purposes of approximately $2,450,000 which are available to offset future taxable income, if any, on a scheduled basis through 2018.

NOTE 7 - OBLIGATION UNDER CAPITAL LEASE

The Company acquired machinery under the provisions of a long-term leases. For financial reporting purposes, minimum lease payments relating to the machinery have been capitalized.

The future minimum lease payments under capital leases and net present value of the future minimum lease payments as of December 31, 2003 are as follows:

Total minimum lease payments	$64,607
Amount representing interest	11,194
Present value of net minimum lease payments	53,413
Current portion	9,753
Long-term capital lease obligation	43,660

NOTE 8 - COMMON STOCK

In 2002, the Company issued 3,450,000 shares of common stock valued at $183,000 in exchange for consulting services 700,000 of those shares valued at $35,000 were later cancelled for non-performance. Net issuance for consulting expenses for the year ending 2002 were 2,750,000 shares of common stock valued at $148,000.

In 2003, the Company issued 2,350,000 options to purchase shares of common stock at $0.01 per share to members of the Company's Board of Directors and the employees. The options were issued at the then fair market value of the underlying shares. In addition, the Company issued 1,000,000 shares of common stock valued at $46,000 to various consultants and employees for services rendered.

NOTE 9 - NOTE AND TRADE RECEIVABLE

On June 30, 2000, the Company executed a promissory note with UNICO, Inc. for $200,000 and a trade receivable for $270,000 in conjunction with the sale of Independent News, Inc. Both the note and trade receivable are outstanding and currently in default. The Company's management considers both collectible. An allowance for uncollectible accounts of $100,000 and $135,000 has been established.

NOTE 10 - INTANGIBLE ASSETS

Intangible assets consist of the following items:

Goodwill	$1,341,850
	1,341,850
Less accumulated amortization	655,338
Intangible assets, net	$ 686,512

Amortization expense for the years ended December 31, 2003 and December 31, 2002 were $135,686 and $135,685.

NOTE 11 - DEFERRED REVENUE

During 2001, the Company received $96,386 for services to be performed in 2002. When the services were performed, the amount was recognized as income in 2002.

NOTE 12 - PUBLIC STOCK LISTING

Next Generation Media Corporation common stock began trading on the OTC Bulletin Board on June 11, 2001, under the symbol NGMC. This is the company's first public listing.

NOTE 13 - SEGMENT INFORMATION

The Company has one reportable segment for the twelve month periods ended December 31, 2003 and 2002: United Marketing Solutions. United was acquired on April 1, 1999. The entity is a wholly-owned subsidiary. United operates a direct mail marketing business. The accounting policies of the reportable segments are the same as those set forth in the Summary of Accounting Policies. Summarized financial information concerning the Company's reporting segments for the periods ending December 31, 2003 and 2002 are presented below:

NOTE 14 - SEGMENT INFORMATION

Year Ended December 31, 2003	Segment	Parent	Eliminations	Total
Revenue	7,031,940	310,000	310,000	7,031,940
Segment profit/(loss)	96,345	65,761	0	162,106
Total assets	2,017,090	1,357,213	(1,343,896)	2,030,406

Year Ended December 31, 2002	Segment	Parent	Eliminations	Total
Revenue	7,325,085	0	0	7,325,085
Segment profit/(loss)	658,769	(455,246)	0	203,523
Total assets	2,258,545	1,487,958	(1,576,422)	2,170,081

NOTE 15 - RECLASSIFICATIONS

Certain amounts on the 2002 financial statements have been reclassified to conform with the 2003 presentation.

Item 14. Controls and Procedures

The Company has established and maintains disclosure controls and procedures that are designed to ensure that material information required to be disclosed by the Company in the reports that it files under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Within the 90 days prior to the date of this annual report, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, the Company carried out an evaluation of the effectiveness of the design and operation of disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective as of the date of such evaluation in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic SEC filings.

There have been no significant changes to the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

CERTIFICATION

I, Darryl Reed, certify that:

1. I have reviewed this report on Form 10-KSB of Next Generation Media, Corp.;

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 quarterly 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 registrant as of, and for the periods presented in this 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 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 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 the 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 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: April 3, 2004

/s/ Darryl Reed
Darryl Reed, President

CERTIFICATION

I, Phillip Trigg, certify that:

1. I have reviewed this report on Form 10-KSB of Next Generation Media, Corp;

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 quarterly 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 registrant as of, and for the periods presented in this 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 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 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 the 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 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: April 3, 2004

/s/ Phillip Trigg
Chief Financial Officer

Exhibits.

Exhibits included or incorporated by reference in this document are set forth in the Exhibit Index.

Reports on Form 8-K.

There were no reports on Form 8-K filed during the last quarter of the fiscal year covered by this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Next Generation Media Corp.

Dated: April 3, 2004

By: /s/Darryl Reed
Darryl Reed, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the date indicated:

Signature	Title	Date
/s/Darryl Reed Darryl Reed	President/Director	April 3, 2004
/s/Phillip Trigg Phillip Trigg	Chief Financial Officer/Director	April 3, 2004
/s/Mellisa Held Melissa Held	Director	April 3, 2004
/s/ Fernando Mathov Fernando Mathov	Director	April 3, 2004
/s/ Leon Zajdel Leon Zajdel	Chairman of the Board	April 3, 2004

EXHIBIT INDEX

Exhibit	Description
3.1	Articles of Incorporation, under the name Micro Tech Industries, Inc. (incorporated by reference in the filing of the Company's annual report on Form 10KSB filed on April 15, 1998).
3.2	Amendment to the Articles of Incorporation (incorporated by reference in the Company's quarterly report filed on Form 10 Q filed on May 15, 1997).
3.3	Amended and Restated Bylaws (incorporated by reference in the filing of the Company's annual report on Form 10KSB filed on November 12, 1999).
16.1	Letter on change in certifying accountant (incorporated by reference in the filing of the Company's current report on Form 8-K filed on January 5, 2001).
21.1	Subsidiaries of the Company (included herein).
23.1	Consent of Certified Public Accountants (included herein).
24.1	Power of Attorney (included herein on the signature page).
31.1	Certification pursuant of Chief Executive Officer to 18 U.S.C. Section 1350, as adopted to Section 906 of the Sarbanes Oxley Act of 2002.
31.2	Certification pursuant of Chief Financial Officer to 18 U.S.C. Section 1350, as adopted to Section 906 of the Sarbanes Oxley Act of 2002.