

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10QSB

ATLANTIC WINE AGENCIES INC
Form 10QSB
August 19, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D. C. 20549

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2004

Commission file number 333-63432

ATLANTIC WINE AGENCIES INC.
(Exact name of small business issuer as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

65-110237
(I.R.S. Employer
Identification No.)

64 Knightsbridge
London, UK
SW1X
(Address of principal executive offices)

011-44-797-905-7708
(Issuer's telephone number)

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 past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

The number of shares of the issuer's outstanding common stock, which is the only class of its common equity, on August 18, 2004 was 104,063,027.

1

ITEM 1 FINANCIAL STATEMENTS

Description

Page No.

FINANCIAL INFORMATION:

Financial Statements

Consolidated Balance Sheets at June 30, 2004

(Unaudited)..... 3

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10QSB

Consolidated Statement of Operations for the Three Months Ended June 30, 2004 and for the Period from April 18, 2001 to June 30, 2004 (Unaudited).....	4
Consolidated Statements of Cash Flows for the Three Months Ended June 30, 2004 and for the Period from April 18, 2001 to June 30, 2004 (Unaudited) ...	5
Notes to Consolidated Financial Statements (Unaudited).....	6

2

ITEM 1. FINANCIAL STATEMENTS

ATLANTIC WINE AGENCIES, INC. and SUBSIDIARIES
(Formerly New England Acquisitions, Inc.)
(A Development Stage Company)

CONSOLIDATED BALANCE SHEET
JUNE 30, 2004

CURRENT ASSETS	
Cash	\$ 309,944
Accounts receivable	21,534
Inventory	300,359

Total Current Assets	631,837
OTHER ASSETS	
Property, plant and equipment, net	2,635,621
Goodwill, net	496,270

	\$ 3,763,728
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable	\$ 76,431
Accrued expenses	30,000

Total Current Liabilities	106,431
LONG-TERM DEBT	
Due to principal stockholders	298,618
STOCKHOLDERS' EQUITY	
Common stock authorized 150,000,000 shares; \$0.00001 par value; issued and outstanding 104,063,027 shares	1,041
Additional contributed capital	3,708,315
Other comprehensive income	128,544
Deficit accumulated during Development Stage	(479,221)

Total Stockholders' Equity	3,358,679

\$ 3,763,728

See accompanying notes to financial statements.

3

ATLANTIC WINE AGENCIES, INC. and SUBSIDIARIES
 (Formerly New England Acquisitions, Inc.)
 (A Development Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended June 30, 2004 -----	Period April 18, 2001 (Inception) to June 30, 2004 -----
NET SALES	\$ 56,143	\$ 56,143
COSTS AND EXPENSES		
Cost of goods sold	128,107	128,107
Selling, general and administrative	148,849	398,341
Depreciation and amortization	5,543	5,543
	-----	-----
Total Costs and Expenses	282,499	531,991
	-----	-----
NET OPERATING LOSS	(226,356)	(475,848)
OTHER EXPENSE		
Interest expense	(9)	(9)
	-----	-----
NET LOSS	\$ (226,365)	\$ (475,857)
	=====	=====
NET LOSS PER SHARE, basic and diluted	\$ (.003)	\$ (.09)
	-----	=====
Weighted average number of common shares outstanding	67,799,291	5,461,682
	=====	=====

Note: The Company had no operating activities for the comparable period ending June 30, 2003.

See accompanying notes to financial statements.

4

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10QSB

ATLANTIC WINE AGENCIES, INC. and SUBSIDIARIES
(Formerly New England Acquisitions, Inc.)
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended June 30, 2004 -----	Period April 18, 2001 (Inception) to June 30, 2004 -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for period	\$ (226,365)	\$ (475,857)
Non-cash item included in net loss:		
Stock based compensation	--	140,000
Depreciation and amortization	5,574	5,574
Changes in operating assets and liabilities:		
Accounts receivable	(4,610)	(4,610)
Inventory	(57,931)	(57,931)
Accounts payable	58,872	58,872
Accrued expenses	(13,500)	30,000
Increase in due to principal stockholders	298,618	298,618
	-----	-----
Net Cash (Used In) Provided by Operating Activities	60,658	(5,334)
CASH FLOWS FROM FINANCING ACTIVITIES		
Sale of common stock	--	84,525
Cost of registering securities	--	(18,533)
Cash acquired in acquisition	120,742	120,742
	-----	-----
Net Cash Provided by Financing Activities	120,742	186,734
	-----	-----
EFFECT OF EXCHANGE RATE CHANGES ON CASH	128,544	128,544
	-----	-----
NET INCREASE IN CASH	309,944	309,944
CASH AT BEGINNING OF PERIOD	--	--
	-----	-----
CASH AT END OF PERIOD	\$ 309,944 =====	\$ 309,944 =====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 9	\$ 9
Non-cash investing and financing activities:		
Issuance of common stock relating to the change of control and settlement of obligations to previous principal stockholders. See Note C of Notes to Financial Statements	56,226	
Acquisition of New Heights 560 Holding, LLC:		
Cash	120,742	120,742
Accounts receivable	16,924	16,924
Inventory	242,429	242,429

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10QSB

Property, plant, and equipment	2,637,020	2,637,020
Goodwill	449,059	449,059
Accounts payable	17,559	17,559
Common stock	3,500,000	3,500,000

See accompanying notes to financial statements.

5

ATLANTIC WINE AGENCIES, INC. and SUBSIDIARIES
(Formerly New England Acquisitions, Inc.)
(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2004

NOTE A - BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. 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 of normal recurring accruals) considered necessary in order to make the financial statements not misleading have been included. Results for the three months ended June 30, 2004 are not necessarily indicative of the results that may be expected for the year ending March 31, 2005. For further information, refer to the financial statements and footnotes thereto included in the Atlantic Wine Agencies, Inc., formerly New England Acquisitions, Inc., annual report on Form 10-KSB for the year ended March 31, 2004.

NOTE B - STOCKHOLDERS' EQUITY

On May 4, 2004, the Company acquired all of the issued and outstanding shares of New Heights 560 Holdings, LLC, a Cayman Islands Limited Liability corporation which controls Mount Rozier Estate (pty) Limited and the Mount Rozier Properties (pty) Limited for 100,000,000 shares of its common stock. The companies own a world class vineyard in the Stellenbosch region of Western Cape, South Africa and produces high quality premium wines. The acquisition is being accounted for as a purchase under SFAS No. 141, Business Combinations.

The allocation of the purchase price was as follows:

Value of 100,000,000 shares of common stock at		
\$0.035 per share		\$3,500,000
		=====

Fair value of net assets acquired is as follows:

Land		\$2,596,154
Processing equipment		40,866
Intangibles		51,385
Inventories		242,429

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10QSB

Accounts receivable	16,924
Cash	120,742
Liabilities assumed	(17,559)
Goodwill	449,059

	\$3,500,000
	=====

6

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following should be read in conjunction with our financial statements and the related notes that appear elsewhere in this Annual Report. The discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below.

We have not had any significant revenues since inception. Our sole objective is to become an operating business.

Our ability to become and continue as a going concern is dependent upon obtaining additional substantial capital. Because we have virtually no funds and no commitments which would enable us to obtain funds, we may exhaust our limited financial resources before we are ever able to commence operations.

On December 16, 2003, the Company had a change in control of its issued and outstanding common stock. On this date, Rosehill Investments Limited acquired 11,937,200 shares of the Company's common stock pursuant to a Stock Purchase Agreement among Rosehill Investments Limited and the Company, Mr. Jonathan Reisman and Mr. Gary Cella. The agreement provided for the shares to be sold as follows: 9,234,520 shares from the Company; 1,379,600 shares from Mr. Reisman and 1,323,100 shares from Mr. Cella ("Stock Sale").

As a result of the Stock Sale: (i) the directors of the Company resigned and new directors were appointed; (ii) obligations to the Company's auditors, lawyers and service providers were satisfied; and (iii) the Company spun off its two subsidiaries to its shareholders of record immediately prior to the Stock Sale.

On May 4, 2004, the Company acquired all of the issued and outstanding shares of New Heights 560 Holdings LLC, a Cayman Islands limited liability corporation ("New Heights"), in exchange for One Hundred Million shares of its restricted common stock which is equal to 99.9% of the total outstanding shares of the Company's common stock (this transaction shall be referred to as the "Merger"). As a result of the Merger, the Company now has two wholly owned subsidiaries, Mount Rozier Estates (Pty) Limited and Mount Rozier Properties (Pty) Limited. Such companies own a world class vineyard in the Stellenbosch region of Western Cape, South Africa. The vineyard and surrounding properties consist of 105 hectares of arable land for viticultural as well as residential and commercial purposes. In the opinion of the management the site is a world class site in terms of location, soil composition and future development potential.

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10QSB

DEVELOPMENT AND INTEGRATION OF BUSINESS MODEL

It is the Company's current intention to enter the South African wine-growing and wine distribution business. Presently, the Company is investigating potential acquisitions of assets and is in discussions with possible joint venture candidates in South Africa and elsewhere.

ITEM 3. CONTROLS AND PROCEDURES.

(a) Our principal executive officer and principal financial officer has evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) as of a date within 90 days prior to the filing date of this quarterly report and has concluded that our disclosure controls and procedures are adequate.

(b) There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

(c) Not applicable

7

PART II

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

a. Exhibit Index

Exhibit 99.1 Certification of President and Principal Financial Officer

Exhibit 99.2 Certification of President and Principal Financial Officer

b. Reports on Form 8-K

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10QSB

On May 17, 2004, the Company filed an 8-K with the Securities and Exchange Commission with respect to a change of control (file no. 333-63432) which occurred on May 4, 2004. On May 4, 2004, the Company acquired all of the issued and outstanding shares of New Heights 560 Holdings LLC, a Cayman Islands limited liability corporation ("New Heights"), in exchange for One Hundred Million shares of its restricted common stock which is equal to 99.9% of the total outstanding shares of the Company's common stock (this transaction shall be referred to as the "Merger"). As a result of the Merger, the Company now has two wholly owned subsidiaries, Mount Rozier Estates (Pty) Limited and Mount Rozier Properties (Pty) Limited. Such companies own a world class vineyard in the Stellenbosch region of Western Cape, South Africa. The vineyard and surrounding properties consist of 105 hectares of arable land for viticultural as well as residential and commercial purposes. In the opinion of the management the site is a world class site in terms of location, soil composition and future development potential.

SIGNATURES

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

ATLANTIC WINE AGENCIES INC.

/s/ Harry Chauhan

Name: Harry Chauhan

Title: President, Chief Financial Officer and Chairman of the Board

Date: August 18, 2004