

Edgar Filing: MEDINA INTERNATIONAL HOLDINGS, INC. - Form 10QSB

MEDINA INTERNATIONAL HOLDINGS, INC.  
Form 10QSB  
August 31, 2006

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10QSB

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

For Quarter Ended Commission File Number  
July 31, 2006 000-27211

MEDINA INTERNATIONAL HOLDINGS, INC.

-----  
(Name of Registrant)

Colorado

84-1469319

-----  
(State of incorporation)

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

10088 6th Street, Suite G, Rancho Cucamonga, CA 91730

-----  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:(303)741-5785

Indicate by check mark whether the registrant (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 registrant was required to file such reports), and(2) has been subject to the filing requirements for at least the past 90 days.

Yes    X        No  
-----        -----

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

28,988,391 common shares as of July 31, 2006

Part I: FINANCIAL INFORMATION

MEDINA INTERNATIONAL HOLDINGS, INC.  
(A Development Stage Company)  
INDEX OF FINANCIAL STATEMENTS

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Jaspers + Hall, PC  
Certified Public Accountants  
9175 East Kenyon Ave., Suite 100  
Denver, Colorado 80237

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors  
Medina International Holdings, Inc.  
Rancho Cucamonga, California

We have reviewed the accompanying balance sheet of Medina International Holdings, Inc. as of July 31, 2006 and the related statements of operations for the three-month periods ended July 31, 2006 and 2005, and the cash flows for the three-months ended July 31, 2006 and 2005 included in the accompanying Securities and Exchange Commission Form 10-QSB for the period ended July 31, 2006. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the Public Company Accounting Oversight Board (PCAOB). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2, conditions exist which raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Jaspers + Hall, PC  
Denver, Colorado  
August 28, 2006

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MEDINA INTERNATIONAL HOLDINGS, INC.  
(A Development Stage Company)  
Balance Sheets  
(Unaudited)

	July 31, 2005	April 30, 2006
	-----	-----
ASSETS:		
Current Assets:		
Cash	\$ -	\$ 1,968
Inventory	19,168	11,428
Prepaid expenses	200	800
	-----	-----
Total Current Assets	19,368	14,196
	-----	-----
Other Assets:		
Mold for fire rescue boat	219,074	188,910
Investment in Genesis	25,000	25,000
	-----	-----
Total Other Assets	244,074	213,910
	-----	-----
TOTAL ASSETS	\$ 263,442	\$ 228,106
	=====	=====
LIABILITIES AND STOCKHOLDERS' DEFICIT:		
Liabilities:		
Bank overdraft	\$ 200	\$ -
Accounts payable and accrued expenses	69,563	79,784
Lines of credit	27,394	25,765
Advance from customer	20,500	-
Notes payable	-	17,000
Short-term borrowings from stockholders	144,769	129,991
	-----	-----
TOTAL LIABILITIES	262,426	252,540
	-----	-----
Stockholders' Deficit:		
Common stock, \$.0001 par value, 100,000,000 shares authorized, 28,988,391 and 28,988,391 shares issued and outstanding, respectively	2,899	2,899
Share committed to be issued	51,225	-
Additional paid-in capital	1,110,460	1,110,459
Deficit accumulated during the development stage	(1,163,568)	(1,137,792)
	-----	-----
Total Stockholders' Deficit	1,016	(24,434)
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 263,442	\$ 228,106
	=====	=====

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See Accountants' Review Report

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MEDINA INTERNATIONAL HOLDINGS, INC.  
(A Development Stage Company)  
Statements of Operations  
(Unaudited)

	Three Months Ended July 31,		March 16, 1
	2006	2005	(Inception) July 31, 2
INCOME	\$ -	\$ -	\$ 2
OPERATING EXPENSES:			
Professional fees	8,480	3,245	11
Bank charges	92	94	
Telephone	378	1,200	
Travel	1,966	1,744	1
Settlement of debt	-	-	1
Stock compensation	-	-	99
Miscellaneous expenses	13,966	676	3
Total Operating Expenses	24,882	6,959	1,18
OTHER INCOME (EXPENSES)			
Interest expense	(894)	(96)	(
other income			
	(894)	(96)	(
Net Loss from Operations	\$ (25,776)	\$ (7,055)	\$ (1,16
Weighted average number of shares outstanding	28,988,391	26,832,614	
Net Loss Per Share	\$ (0.0009)	\$ (0.0003)	

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MEDINA INTERNATIONAL HOLDINGS, INC.  
(A Development Stage Company)  
Statements of cash flows  
(Unaudited)

	Three Months Ended July 31,	
	2005	2004
	-----	-----
Cash Flows From Operating Activities:		
Adjustments to reconcile net loss to net cash used in operating activities:		
Net (Loss)	\$ (25,776)	\$ (7,055)
Non-cash items included in loss:		
Stock issued for services	9,526	5,904
Settlement of Debt	18,700	
Changes in assets and liabilities:		
Decrease (Increase) in prepaid expenses	600	(75)
Increase in inventory	(7,740)	-
Increase in accounts payable and accrued expenses	(10,221)	(4,102)
Increase in customer deposits	20,500	-
	-----	-----
Total adjustments	31,365	1,727
	-----	-----
Net Cash Used in Operating Activities	5,589	(5,328)
	-----	-----
Cash Flow From Investing Activities:		
Mold cost	(30,164)	-
	-----	-----
Net Cash Provided By Investing Activities	(30,164)	-
	-----	-----
Cash Flow From Financing Activities:		
Bank overdraft	200	-
Proceeds (payments) to/from short-term borrowings	(2,222)	(2,726)
Increase from line of credit	1,629	-
Issuance of common stock	23,000	10,700
	-----	-----
Net Cash Provided By Financing Activities	22,607	7,974
	-----	-----
Increase (Decrease) in Cash	(1,968)	2,646
Cash and Cash Equivalents - Beginning of period	1,968	180
	-----	-----
Cash and Cash Equivalents - End of period	\$ -	\$ 2,826

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Supplemental Cash Flow Information:

Cash paid for :		
Interest paid	\$ -	\$ -
	=====	=====
Taxes paid	\$ -	\$ -
	=====	=====

See Accountants' Review Report

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MEDINA INTERNATIONAL HOLDINGS, INC.  
NOTES TO FINANCIAL STATEMENTS

1. Presentation of Interim Information

In the opinion of the management of Medina International Holdings, Inc., the accompanying unaudited financial statements include all normal adjustments considered necessary to present fairly the financial position as of July 31, 2006, and the results of operations for the three months periods ended July 31, 2006 and 2005, and cash flows for the three months ended July 31, 2006 and 2005. Interim results are not necessarily indicative of results for a full year.

The financial statements and notes are presented as permitted by Form 10-QSB, and do not contain certain information included in the Company's audited financial statements and notes for the fiscal year ended April 30, 2006.

2. Going Concern

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States, which contemplates continuation of the Company as a going concern. The Company's current liabilities exceeds its current assets by \$243,058.

Also, the Company's operations generated no income during the current period ended and the Company's deficit is \$1,163,568.

The future success of the Company is likely dependent on its ability to attain additional capital to develop its proposed products and ultimately, upon its ability to attain future profitable operations. There can be no assurance that the Company will be successful in obtaining such financing, or that it will attain positive cash flow.

3. Inventory

At July 31, 2006, inventory consisted of \$19,168 of finished goods.

4. Short-term Borrowings - related parties

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At July 31, 2006, short-term borrowings - related parties consisted of advances from president and Chief Financial Officers of Company of \$144,769 for operational expenses. These advances are unsecured, bear no interest, and due on demand.

### 5. Capital stock transactions.

The following stock transactions happened during the three months period ended July 31, 2006:

June 30, 2006 Company collected 23,000 for sale of stock. Company has committed to issue shares to directors 18,750 common shares to three directors for services, 300 common shares towards rent of office space to Holy Touch Corporation and 100,000 common shares in Settlement of note for the amount of \$18,700 to John Schlie.

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## ITEM 2. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Cautionary and Forward Looking Statements

In addition to statements of historical fact, this Form 10-QSB contains forward-looking statements. The presentation of future aspects of Medina International Holding, Inc. ("Medina International Holding, Inc." the "Company" or "issuer") found in these statements is subject to a number of risks and uncertainties that could cause actual results to differ materially from those reflected in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," or "could" or the negative variations thereof or comparable terminology are intended to identify forward-looking statements.

These forward-looking statements are subject to numerous assumptions, risks and uncertainties that may cause Medina International Holding, Inc. actual results to be materially different from any future results expressed or implied by Medina International Holding, Inc. in those statements. Important facts that could prevent Medina International Holding, Inc. from achieving any stated goals include, but are not limited to, the following:

Some of these risks might include, but are not limited to, the following:

- (a) volatility or decline of the Company's stock price;
- (b) potential fluctuation in quarterly results;
- (c) failure of the Company to earn revenues or profits;
- (d) inadequate capital to continue or expand its business, inability to raise additional capital or financing to implement its business plans;

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- (e) failure to achieve a business;
- (f) rapid and significant changes in markets;
- (g) litigation with or legal claims and allegations by outside parties;
- (h) insufficient revenues to cover operating costs.

There is no assurance that the Company will be profitable, the Company may not be able to successfully develop, manage or market its products and services, the Company may not be able to attract or retain qualified executives and technology personnel, the Company's products and services may become obsolete, government regulation may hinder the Company's business, additional dilution in outstanding stock ownership may be incurred due to the issuance of more shares, warrants and stock options, or the exercise of warrants and stock options, and other risks inherent in the Company's businesses.

The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. Readers should carefully review the factors described in other documents the Company files from time to time with the Securities and Exchange Commission, including the Quarterly Reports on Form 10-QSB and Annual Report on Form 10-KSB filed by the Company in 2006 and any Current Reports on Form 8-K filed by the Company.

The trend of losses can be expected to continue for the foreseeable future as the Company attempts to commence some business.

The Company now has commenced Boat manufacturing business operations and is seeking capital to operate. Management intends to manufacture and sell recreational, Fire CAT and Rescue CAT boats, and has taken the following actions during the year ended 4-30-2006.

Mold for the Fire Rescue and Rescue jet with Cat bottom has been completed. Manufacture of the first Fire Cat boat is in progress.

1. Management has signed a licensing agreement on February 23, 2005 with Mr. Albert Mardikian to Manufacture and sell recreational boats.

2. Management has signed a license agreement on January 24, 2006 with Mr. Albert Mardikian to use the Water Pump Patent for boats designed by Medina International Holdings, Inc. and/or 12' V bottom boats designed by Albert Mardikian,.

3. Management has signed a licensing agreement on June 15, 2006 with Mr. Albert Mardikian to manufacture and sell 15' Fire Rescue boats designed by Mr. Albert Mardikian.

RESULTS OF OPERATIONS FOR THE THREE MONTH PERIOD ENDED JULY 31, 2006 COMPARED TO SAME PERIOD ENDED JULY 31, 2005.

The Company had no revenues in the three-month period ended July 31, 2006 or 2005. The Company is seeking financing for an attempt to acquire companies. The Company has started the manufacture of 21' Cat bottom Fire rescue Jet. The



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Company incurred operating expenses of \$24,882 for the first quarter ended July 31, 2006 and \$6,959 for the first quarter ended July 31, 2005. The Company had a loss on operations of (\$25,776) for the first quarter ended July 31, 2006 compared to (\$7,055) in 2005 in the same quarter. The loss per share was (\$.0009) and (\$.0003) in the first quarter ended July 31, 2006 and July 31, 2005 respectively.

The trend of losses can be expected to continue for the foreseeable future as the Company attempts to manufacture Fire Rescue Jets with Cat bottom.

### LIQUIDITY AND CAPITAL

The Company has no cash as of July 31, 2006, which is insufficient for any operations of significance. The Company will need to raise capital through loans or private placements in order to carry out any operational plan. The Company has no sources of such capital at this time.

### NEED FOR ADDITIONAL FINANCING

The Company does not have capital sufficient to meet the Company's cash needs, including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934. The Company will have to seek loans or equity placements to cover such cash needs. Lack of its existing capital may be a sufficient impediment to prevent it from accomplishing the goal of expanding its operations. There is no assurance, however, that without funds it will ultimately allow company to carry out its business.

The Company will need to raise additional funds to expand its business activities in the future, and s preparing a private offering memorandum to attempt to raise \$350,000 in operating capital.

The Company has established a \$20,000 Line of Credit for working capital.

No commitments to provide additional funds have been made by management or other stockholders. Accordingly, there can be no assurance that any additional funds will be available to the Company to allow it to cover its expenses as they may be incurred.

Irrespective of whether the Company's cash assets prove to be inadequate to meet the Company's operational needs, the Company might seek to compensate providers of services by issuances of stock in lieu of cash.

### "GOING CONCERN" QUALIFICATION

The Company's auditor has issued a "going concern" qualification as part of their opinion in the audit report for the year ended April 30, 2006. There is substantial doubt about the ability of the Company to continue as a "going concern." The Company has limited business activity, limited capital, debt in excess of \$262,000, all of which is current, no cash, nominal other assets, and no capital commitments. The effects of such conditions could easily be to cause the Company's bankruptcy.

Management hopes to develop its business plan and will need, at which to seek and obtain funding, via loans or private placements of stock for operations debt and to provide working capital. Management has plans to seek capital in the

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form of loans or stock private placements in the next year of approximately \$350,000.

### ITEM 3. CONTROLS AND PROCEDURES

#### a. Evaluation of Disclosure Controls and Procedures:

The management of the company has evaluated the effectiveness of the issuer's disclosure controls and procedures as of the end of the period of the report June 30, 2006 and have concluded that the disclosure controls internal controls and procedures are adequate and effective based upon their evaluation as of the evaluation date.

#### b. Changes in Internal Control over Financial Reporting:

There were no changes in the small business issuers internal control over financial reporting identified in connection with the Company evaluation required by paragraph (d) of Rule 13a-15 or Rule 15d-15 under the Exchange act that occurred during the small business issuers last fiscal quarter that has materially affected or is reasonable likely to materially affect, the small business issuers internal control over financial reporting.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

None

### ITEM 2. CHANGES IN SECURITIES

None

### ITEM 3. DEFAULT UPON SENIOR SECURITIES

None

### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

### ITEM 5. OTHER INFORMATION

The Company had Preferred Stock authorized in its original Articles of Incorporation. Board has designated Series A Convertible Preferred Stock and authorized 50 shares designated as Series A Convertible Preferred Stock. No Series A was issued authorized or outstanding as of July 31, 2006.

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibits:

SIGNATURES

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 28, 2006

MEDINA INTERNATIONAL HOLDINGS, INC.

/s/Daniel Medina, President

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Daniel Medina, President

CERTIFICATION PURSUANT TO SECTION  
302 OF THE SARBANES OXLEY ACT