MEDINA INTERNATIONAL HOLDINGS, INC.
Form 10-Q
March 17, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10Q

(Mark One)

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

For the quarterly period ended January 31, 2010

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from __________ to ___________

Commission file number: 000-27211

MEDINA INTERNATIONAL HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

COLORADO	84-1469319
(State of Incorporation)	(IRS Employer ID Number)

No. 1802 Pomona Rd., Corona, CA 92880
(Address of principal executive offices)

909-522-4414
(Registrant's Telephone number)

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 past 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 the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 for Regulation S-T (ss.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [ ] No []

Indicate by check mark whether the registrant is a large accelerated file, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [ ] (Do not check if a smaller reporting company) Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

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

As of March 2, 2010, there were 46,846,747 shares of the registrant's common stock issued and outstanding.

PART I. - FINANCIAL INFORMATION

MEDINA INTERNATIONAL HOLDINGS, INC.
AND SUBSIDIARIES
Consolidated Balance Sheets

	January 31, 2010 (Unaudited)
ASSETS	
Current Assets:	
Cash	$ 100
Receivables	125,420
Inventory	96,780
Total current assets	222,300
Fixed Assets:	1,072,873
Accumulated depreciation	(331,801)
Total fixed assets	741,072
TOTAL ASSETS	$ 963,372
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	
Current liabilities:	
Accounts payable	$ 563,765
Accrued liabilities	584,920
Short term debt	222,957
Customer deposit	117,905
Stock subscription payable	240,625
Notes payable	89,000
Related party payable	873,974
Related Parties - short-term borrowings from shareholders	388,339

Total current liabilities	3,081,485
Stockholders' equity (deficit):	
Preferred stock, $.00001 par value, 10,000,000 shares authorized, none issued and outstanding	-
Common stock, $0.0001 par value, 100,000,000 shares authorized, 46,846,747 and 35,560,091 shares issued and outstanding on January 31, 2010 and April 30, 2009, respectively	4,685
Additional paid-in capital	3,096,597
Common stock subscribed (100,000 shares)	-
Subscription to be received	-
Accumulated deficit	(5,219,395)
Total stockholders' equity (deficit)	(2,118,113)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	$ 963,372

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

F-1

MEDINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Statement of Operations
(Unaudited)

	For the three months ended January 31, 2010	2009	Fo
Sales, net	$ 541,418	$ 42,320	
Cost of Goods Sold	502,076	15,551	
Gross Profit (Loss)	39,342	26,769	
General and administrative expenses	123,237	45,919	
Selling and marketing expenses	27,755	-	
Research and development expenses	-	-	
Loss from operations	(111,650)	(19,150)	
Other income	-	-	
Interest expense	(8,187)	(8,164)	
Net other income	(8,187)	(8,164)	
Loss before income tax (expense) benefit	(119,837)	(27,314)	
Income tax (expense) benefit	-	-	
Net Loss from Operations	$ (119,837)	$(27,314)	

Net loss per share:		
Basic	$ (0.003)	$ (0.001)
Diluted	$ (0.003)	$ (0.001)
Weighted average number of shares outstanding:		
Basic	45,438,149	35,660,091
Diluted	45,438,149	35,660,091

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

MEDINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

	Common Stock Shares	Amount	Additional Paid-In Capital	Co s subs
Balance - April 30, 2008 (restated)	35,560,091	3,556	2,419,032	
Net loss	-	-	-	
Balance - April 30, 2009	35,560,091	3,556	2,419,032	
Stock issued for royalties	10,000	0	48	
Stock issued to directors	106,250	11	4,595	
Stock issued for the purchase of HGB*	11,000,000	1,100	658,900	
Stock issued for cash	100,000	10	6,990	
Stock issued in lieu of rent	70,406	8	7,032	
Net loss	-	-	-	
Balance - January 31, 2010	46,846,747	$ 4,685	$ 3,096,597	

* - Harbor Guard Boats

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

MEDINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

(Unaudited)

(continued)

	Accumulated Deficit	Totals
Balance - April 30, 2008 (restated)	(2,929,850)	(500,262)
Net loss	(1,768,434)	(1,768,434)
Balance - April 30, 2009	(4,698,284)	(2,268,696)
Stock issued for royalties	-	48
Stock issued to directors	-	4,606
Stock issued for the purchase of HGB*	-	660,000
Stock issued for cash	-	-
Stock issued in lieu of rent	-	7,040
Net loss	(521,111)	(521,111)
Balance - January 31, 2010	$ (5,219,395)	$ (2,118,113)

* - Harbor Guard Boats

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

F-4

MEDINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Statement of Cash Flows
(Unaudited)

	Nine Months Ended January 31, 2010	2009
Cash flows from operating activities:		
Net loss	$ (521,111)	$ (108,365)
Adjustments to reconcile net loss to net cash used in operating activities:		
Common stock expenses	9,581	675
Depreciation expenses	131,098	42,829
Impairment loss on investment	-	24,500
Gain on settlement of accounts payable	-	-

Write-off of fixed assets	1,925	-
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(122,254)	-
(Increase) decrease in inventory	313,701	12,307
Increase (decrease) in accounts payable	-	-
and accrued liabilities	329,591	(3,044)
Increase (decrease) in customer deposits	(125,000)	16,000
Total adjustments	538,642	93,267
Net cash (used) received in operating activities	17,531	(15,098)
Cash flows from investing activities:		
Purchase of fixed assets	-	(138)
Net cash used in investing activities	-	(138)
Cash flows from financing activities:		
Bank overdraft	-	(68)
Proceeds from notes payables - related party	-	24,213
Payments to notes payables - related party	(35,880)	-
Proceeds from note payable	25,000	-
Proceeds from lines of credit & credit cards	65,976	-
Payments on lines of credit & credit cards	(108,370)	(8,778)
Proceeds from related party - short-term borrowings from shareholders	(733)	-
Payment to related party - short-term borrowings from shareholders	-	-
Net cash provided by financing activities	(54,007)	15,367
Net increase (decrease) in cash and cash equivalents	(36,476)	131
Cash and cash equivalents - beginning of period	36,576	-
Cash and cash equivalents - end of period	$ 100	$ 131
Supplemental disclosure of cash flow information:		
Interest Paid	$ 24,570	$ 25,804
Taxes paid	$ -	$ -
Non-cash financing and investing activities:		
Increase in office equipment and tools and related party notes payable	$ -	$ 138

Stock issued for compensation	$ 9,581	$ 675

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

F-5

Medina International Holdings, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the nine months ended January 31, 2010
(Unaudited)

NOTE 1. GENERAL

Medina International Holdings, Inc. ("Company," "Medina," "we," "us," "our") was incorporated in 1998 as Colorado Community Broadcasting, Inc. and the Company changed the name of the business in 2005 to Medina International Holdings, Inc. The Company intended to purchase low power television licenses or stations and planned to broadcast local programming mixed with appropriate national programming.

The Company, under its two wholly owned subsidiaries, Harbor Guard Boats, Inc. and Medina Marine, Inc., plans to manufacture and sell recreational and commercial boats. The Company formed Medina Marine, Inc., as a wholly owned subsidiary of the Company. Medina Marine was incorporated in the State of California on May 22, 2006 to manufacture and sell fire rescue, rescue and recreational boats.

The Company signed an agreement to acquire Modena Sports Design, LLC, as a wholly owned subsidiary of the Company on June 18, 2008. Modena Sports Design, LLC was formed in the State of California in 2003 to produce fire rescue, rescue and recreational boats. Modena Sports Design, LLC reorganized as a California corporation on January 7, 2009 and changed its name to Harbor Guard Boats, Inc. In fiscal year 2008 the Company ceased reporting as a development stage company.

Going Concern

Recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to raise additional capital, obtain financing and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States, which contemplates continuation of the Company as a going concern. On January 31, 2010, the Company's current liabilities exceeded its current assets by $2,859,185. Also, the Company's operations generated $541,418 in revenue during the current period ended and the Company's accumulated deficit is $5,219,395.

We have taken various steps to revise our operating and financial requirements, which we believe are sufficient to provide the Company with the ability to continue on in the subsequent year. Management devoted considerable effort during the period ended January 31, 2010 towards management of liabilities and improving our operations. Management believes that the above actions will allow the Company to continue its operations through the fiscal year.

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 obtain positive cash flow.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation and Consolidation

The accompanying consolidated financial statements of Medina International Holdings, Inc. and its subsidiaries were prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and include the assets, liabilities, revenues, and expenses of our two wholly owned subsidiaries, Medina Marine, Inc. and Harbor Guard Boats, Inc. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions are used for, but are not limited to;

1) Revenue recognition;
2) Allowance for doubtful accounts;
3) Inventory costs;
4) Asset impairments;
5) Depreciable lives of assets;
6) Income tax reserves and valuation allowances;
7) Fair value of stock options;
8) Allocation of direct and indirect cost of sales;
9) Contingent liabilities; and
10) Warranty liabilities.

Future events and their effects cannot be predicted with certainty; accordingly, our accounting estimates require exercise of judgment. We base our estimates on historical experience, available market information, appropriate valuation methodologies, and on various other assumptions that we believe to be reasonable. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluation, when necessary. Actual results could differ materially from these estimates.

Revenue Recognition

Revenue Recognition is recognized when earned. The Company's revenue recognition policies are in compliance with Staff Accounting Bulletin (SAB) 104. Sales revenue is recognized at the date of shipment to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured. Payments received before all of the relevant criteria for revenue recognition are satisfied, are recorded as unearned revenue.

Cash and Cash Equivalents

The Company considers all liquid investments with a maturity of three months or less from the date of purchase that are readily convertible into cash to be cash equivalents. The Company maintains its cash in bank deposit accounts that may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Accounts receivable

The Company reviews accounts receivable periodically for collectability and establishes an allowance for doubtful accounts and records bad debt expense when deemed necessary. At January 31, 2010 and April 30, 2009, the Company had no balance in its allowance for doubtful accounts.

Advertising costs

Advertising costs are expensed as incurred. The Company recorded advertising costs during the nine months period ended January 31, 2010 of $0.

Inventory

We carry our inventories at the lower of their cost or market value. Cost is determined using first-in, first-out ("FIFO") method. Market is determined based on net realizable value. We also provide due consideration to obsolescence, excess quantities, and other factors in evaluating net realizable value.

Fixed Assets

Capital assets are stated at cost. Equipment consisting of molds is stated at cost. Depreciation of fixed assets is provided using the straight-line method over the estimated useful lives (3-7 years) of the assets. Expenditures for maintenance and repairs are charged to expense as incurred.

Property and Equipment	No. of Years
Molds	7
Manufacturing Tools	5
Computers	3
Furniture	3
Manufacturing tool HGB - used	3
Office Equipments	3
Office Phone	3

Long Lived Assets

The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance. Impairment losses are required to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced.

Income Taxes

Deferred income tax assets and liabilities are computed annually for differences between the financial statements and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates applicable to the periods in which the differences are expected to affect taxable income (loss). Valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

Comprehensive Loss

Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Certain statements, however, require entities to report specific changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, as a separate component of the equity section of the balance sheet. Such items, along with net income, are components of comprehensive income.

Issuance of Shares for Service

The Company accounts for employee and non-employee stock awards, whereby equity instruments issued to employees for services are recorded based on the fair value of the instrument issued and those issued to non-employees are recorded based on the fair value of the consideration received or the fair value of the equity instrument, whichever is more reliably measurable.

Fair Value of Financial Instruments

The Company discloses estimated fair values of financial instruments. The carrying amounts reported in the statements of financial position for current assets and current liabilities qualifying, as financial instruments are a reasonable estimate of fair value.

Foreign Currently Translations and Hedging

The Company is exposed to foreign currency fluctuations due to international trade. The management does not intend to enter into forward exchange contracts or any derivative financial investments for trading purposes. The management does not currently hedge foreign currency exposure.

Basic and Diluted Net Loss per Share

Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

Products and services, geographic areas and major customers

The Company earns revenue from the sale of recreational and commercial boats. Sales each year were sold domestically and internationally. The Company does not separate sales activities into different operating segments. There was $542,982 revenue earned by the Company during the nine moth period ended January 31, 2010. Revenue generated from repair and logistics.

Recently issued accounting pronouncements

In June 2009, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 105, "Generally Accepted Accounting Principals" (formerly Statement of Financial Accounting Standards ("SFAS") No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles"). ASC 105 establishes the FASB ASC as the single source of authoritative nongovernmental U.S. GAAP. The standard is effective for interim and annual periods ending after September 15, 2009. We adopted the provisions of the standard on September 30, 2009, which did not have a material impact on our financial statements.
There were various other accounting standards and interpretations issued in 2009, none of which are expected to have a material impact on the Company's financial position, operations or cash flows.

NOTE 3. Related Party Transactions

As of January 31, 2010 the Company owed $873,974 to a related party shareholder incurred as part of the purchase transaction of Modena Sports Design, LLC (currently Harbor Guard Boats, Inc.).

The Company rented a 5,000 square-foot manufacturing facility for $6,000 per month, on a verbal month-to-month basis, at 2051 Placentia Ave., Costa Mesa, CA 92627. This facility is owned by a related party, CEO of Harbor Guard Boats, Inc. We have incurred $54,000 in rental expenses for the nine months period ended January 31, 2010. This premise was used up to the month ended February 2010.

NOTE 4. Inventory

As of January 31, 2010 and April 30, 2009, inventory consisted of the following:

Item	January 31	April 30,
	2010	2009
Raw materials and supplies	$31,699	$ 39,410
Work in progress	65,081	344,594

Finished goods	-	26,477
Total Inventory	$ 96,780	$ 410,481

NOTE 5. Fixed Assets

As of January 31, 2010 and April 30, 2009, fixed assets consisted of the following:

Property and Equipment	January 31 2010	April 30, 2009
Machinery and equipment; including molds & tools	$ 1,053,558	$1,053,558
Computers	13,535	14,420
Furniture and fixtures	2,080	3,120
Office equipments	3,200	3,200
Fire Extinguisher	500	500
Total property and equipment	1,072,873	1,074,798
Less: Accumulated Depreciation	(331,801)	(200,703)
Total property and equipment	$ 741,072	$ 874,095

NOTE 6. Accrued Liabilities

Our accrued liabilities as of January 31, 2010 and April 30, 2009 are as follows:

Accrued Liabilities	January 31 2010	April 30, 2009
Interest - shareholders' loan	$ 11,130	$ 42,225
Interest - related party	7,000	4,000
Interest - notes payable	2,488	1,636
Payroll	529,003	296,694
Warranty liabilities	35,299	33,000
Total accrued liabilities	$ 584,920	$ 377,555

NOTE 7. Short-term debt as of January 31, 2010 and April 30, 2009 are as follows:

Financial Institutions	January 31 2010	April 30, 2009

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Line of Credit		
Citi Bank	$ 94,932	$ 75,347
Credit Card		
Advanta	8,428	9,240
American Express - 1	21,578	33,842
American Express - 2	0	33,751
Bank of America	39,373	37,363
Citi Bank -1	0	30,276
Wells Fargo Bank	28,970	26,258
Wells Fargo Bank - 2	22,600	16,385
Citi Bank - 2	2,669	2,890
Citi Bank -3	4,408	-
Total short-term debt	$ 222,958	$ 265,352

As of January 31, 2010 the Company had a line of credit totaling $100,000, under which the Company may borrow on an unsecured basis since the year 2008 at an interest rate of 8.75.% with monthly payments due. The outstanding balance for this credit card was $94,932.

The Company's remaining credit cards carry various interest rates and require monthly payments, and are substantially held in the name of or guaranteed by related parties.

NOTE 8. Risk Management Activities

Foreign Currency

The majority of our business is denominated in U.S. dollars and fluctuations in the foreign currency markets will have a minimal effect on our business.

Commodity Prices

We are exposed to market risk from changes in commodity prices. The cost of our products could increase, and if the prices of fiberglass and/or aluminum increases significantly, it will further decrease our ability to attain profitable operations. We are not involved in any purchase commitments with any of our vendors.

Insurance

We are exposed to several risks, including fire, earthquakes, theft, and key person liabilities. We do not carry any insurance for these risks, other than general liability insurance, which will adversely affect our operations if any of these risks materialize.

NOTE 9. Customer Deposit

Deposit from customers as of January 31, 2010 and April 30, 2009 are as follows:

Customer Deposits	January 31 2010	April 30, 2009
Deposit for commercial boats	$ 97,905	$ 222,405
Deposit for recreational boats	20,000	20,500
Total customer deposits	$ 117,905	$ 242,905

NOTE 10. Notes Payable as of January 31, 2010 and April 30, 2009 are as follows:

Notes Payable	January 31 2010	April 30, 2009
Notes payable - related party	$ 50,000	$ 50,000
Notes payable - others	39,000	14,000
Total notes payable	$ 89,000	$ 64,000

As of January 31, 2010, the Company had an unsecured note payable with an unrelated party in the amount of $10,000, which bears at 8% interest, and is currently due.

As of January 31, 2010, the Company had an unsecured note payable with an unrelated party in the amount of $4,000, which bears no interest and is currently due.

As of January 31, 2010, the Company had an unsecured note payable to Mr. Srikrishna Mankal, son of Madhava Rao Mankal, CFO of the Company, in the amount of $50,000, which bears an 8% interest. Interest accrued to date $7,000.

As of January 31, 2010, the Company had an unsecured note payable with an unrelated party in the amount of $25,000, which bears $2,500 interest.

NOTE 11. Shareholders' Loans

Shareholders' loans as of January 31, 2010 and April 30, 2009 are as follows:

Shareholders' Loans	January 31 2010	April 30, 2009
Daniel Medina, President	$ 143,339	$ 107,399
Madhava Rao Mankal, Chief Financial Officer	245,000	204,313
Total Shareholders' Loans	$ 388,339	$ 311,712
Shareholders' loan from shareholder of the Company, unsecured, 8.5% interest per annum, due on demand		

From time to time, shareholders' are involved in funding operations. These funds are provided and collected on an as needed basis.

NOTE 12. Stockholders' Equity

Common Stock

The Company has been authorized to issue, 100,000,000 shares of common stock with a par value of $0.0001. As of January 31, 2010, the Company had 46,846,747 shares of its common stock issued and outstanding. As of April 30, 2009, the Company had 35,560,091 shares of its common stock issued and outstanding.

Shares issued during the nine months period ended January 31, 2010	
Shares issued to directors	106,250
Shares issued for royalty	10,000
Shares issued for Rent	70,406
Shares issued for the purchase of Harbor Guard Boats	11,000,000
Total shares issued during the period	11,186,656

Preferred Stock

The Company has been authorized to issue 10,000,000 shares of preferred stock with a par value of $.01, out of which 50 shares have been designated as convertible Series A preferred stock ("Series A"). The Series A has a stated value $12,000 per share, each one share of Series A is convertible into 1% of the outstanding common shares at the time of conversion, may be converted at anytime, is redeemable by the Company in whole or in part at anytime at a price equal to the greater of (a) $12,000 per share or (b) the market value of the common stock into which the Series A is convertible, has preferential liquidation rights to common stock subject to a 150% of invested capital cap, and has voting rights equal to common stock in an amount equal to the number of shares that Series A could be converted into. No preferred shares were issued or outstanding at January 31, 2010.

Stock Subscriptions Payable

At January 31, 2010, the Company had an obligation to issue 20 Series A preferred shares for consideration already rendered of $240,000.

NOTE 13. Commitments

Operating Leases

The Company rented a 5,000 square-foot manufacturing facility for $6,000 per month, on a verbal month-to-month basis, at 2051 Placentia Ave., Costa Mesa, CA 92627. This facility is owned by a related party, CEO of Harbor Guard Boats, Inc. We have incurred $54,000 in rental expenses for the nine months period ended January 31, 2010. This premise was used up to the month ended February 2010.

The Company entered into three years lease of building space for approximately $3,490 per month at 1802 Pomona Rd., Corona, CA 92880. Rent expenses incurred by the Company during the nine months period ended January 31, 2010 was $54,000.

The Company has various license agreements with a related party allowing its technology to be utilized in the manufacture of its boats. The license agreements typical provide for small periodic renewal payments, along with royalty payments based on a percentage (generally 1.5% - 2%) of related gross sales.

Note 14. Subsequent Events

1. Company has moved its operation from Costa Mesa, CA 92627 to Corona CA 92880.

2. Company also converted officers outstanding salaries in the amount of $413,500 to 4,135,000 common shares at an agreed price of $0.10.

ITEM 2. MANAGEMENT'S 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-Q contains forward-looking statements. The presentation of future aspects of Medina International Holdings, Inc. ("Medina International Holdings, Inc.,""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 the Company's actual results to be materially different from any future results expressed or implied by Medina International Holdings, Inc. in those statements. Important facts that could prevent Medina International Holdings, 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;

(e) Failure to achieve a business;

(f) Rapid and significant changes in markets;

(g) Litigation with or legal claims and allegations by outside parties; and

(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 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 Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed by the Company and any Current Reports on Form 8-K filed by the Company.

Overview

We are in the business of delivering products and services to aid organizations and personnel who risk their lives to save others. We design, manufacture, test, deliver, and support fire rescue, rescue, and patrol watercrafts (commercial) to increase the effectiveness and efficiency of the mission of our users. Our products are sold to fire, search & rescue, emergency, police, defense, and military departments in the United States and abroad. Our commercial watercrafts are sold to organizations dedicated to protecting its country and its citizens. Fire departments are our largest customers and we rely heavily on government funded departments to achieve sales and continue our operations.

In addition, we also manufacture two recreational watercrafts.

Key Challenges

We face numerous challenges to sustain our operations. We have identified some of the challenges we continue to face:

a) Continuing to expand our customer base both domestically and internationally;

b) Continuing to meet or exceed customer's price expectations;

c) Continuing to build brand name both domestically and internationally;

d) Continuing to provide quality customer support;

e) Competing with established competitors;

f) Continuing the development of new products to bring to market; and

g) Reducing internal control weaknesses over financial reporting and disclosure.

The main uncertainty about our operations is whether we will continue to receive orders for our commercial products. Our potential customers rely on federal grants or other government budgets to receive funds to purchase equipment. Depending on the size of aid received, they purchase equipment(s) for their departments. The size of the aid received by these departments creates a demand for our product, in terms of price and features. The timing of the funds cannot be predicted for our prospective international customers. The size of the aid cannot be predicted; hence we will be unable to forecast our outlook for the coming fiscal year.

In July of 2008, we acquired Harbor Guard Boats, Inc. as our wholly owned subsidiary. Our management has recognized that our business was changing, and in response, we are attempting to rebalance our workforce and manufacturing capacity. We may incur costs as a result of our efforts to meet these restructuring needs.

In addition, our Company's accounting and financial systems need to be substantially improved in order to accommodate our current and projected production levels. We may incur costs as a result of our efforts to improve the accounting and financial systems.

Strategy

Our business strategy is to deliver products and services to aid organizations and personnel who risk their lives to save others. Our intent is to not only manufacture high quality watercrafts, but also to seek and/or develop innovative products to assist emergency and defense personnel and departments to become more efficient and effective in their mission. In addition, our strategy includes the following:

a) Capitalize on the demand for commercial and recreational watercrafts;

b) Build long-term relationships with business partners and stakeholders while providing profitability for our investors;

c) Develop and expand strategic partnerships;

d) Identify new products and markets to meet changing customer requirements;

e) Retain and provide opportunities for growth for our employees;

Results of Operations

For the Three Months Ended January 31, 2010 Compared to the Three Months Ended January 31, 2009

Our Company has earned revenues of $541,418 for the three months period ended January 31, 2010 as compared to $42,320 for the three months period ended January 31, 2009. Revenues during the three months ended January 31, 2010, were a result of sale of two boats compared to one boat for the same period in the prior year.

During the three months ended January 31, 2010, we incurred a cost of goods sold of $502,076 compared to $15,551 during the three months ended January 31, 2009. The increase of $486,525 was a result of the increase in the size of the boats manufactured compared to that of the prior year.

During the three months ended January 31, 2010, we incurred general and administrative expenses of $123,237 compared to $45,919 during the three months ended January 31, 2009. The increase in general and administrative expenses for the three months period ended January 31, 2010 of $77,318, or 168.38%, was mainly due to the was mainly due to the accrual of management salary of $84,500. The Company also increased rental expense in the amount of $18,000 during the three months period ended January 31, 2010, as compared with that of the same period ended January 31, 2009 since the Company moved its operations from San Bernardino International Airport to Costa Mesa, California.

During the three months ended January 31, 2010, the Company incurred selling and marketing expenses of $27,755 compared to $0 during the three months ended January 31, 2009. The increase of $27,755 in selling expenses during the three months period ended January 31, 2010 was mainly due to $8,550 commission on sales, $7,500 freight on delivery, $10,285 bad debt and $1,312 travel.

During the three months ended January 31, 2010, the Company recognized a net loss of $119,837 compared to $27,314 during the three months ended January 31, 2009. Increase of $92,523 was a result of the $77,318 increase in general and administrative expenses combined with the $27,755 increase in selling expenses.

3

For the Nine Months Ended January 31, 2010 Compared to the Nine Months Ended January 31, 2009

Sales.

Our sole source of revenue since our inception is attributable to our commercial watercrafts. Our Company has earned revenues of $542,982 for the nine months period ended January 31, 2010 as compared to $42,320 for the nine months period ended January 31, 2009. Revenues during the nine months ended January 31, 2010, were a result of sale of 2 boats compared to one boat for the same period in the prior year.

Operating Expenses

Operating Expenses consists of cost of goods sold, general and administrative expenses, selling expenses, and research and development expenses.

Cost of Goods Sold

Costs of goods sold are costs to produce our product and generally consists of direct materials, direct labor and production overhead.

During the nine months ended January 31, 2010, we incurred cost of goods sold of $599,206 compared to $15,551 during the nine months ended January 31, 2009. The increase of $583,655 consisted primarily $80,643 of depreciation, $54,000 of rent and cost of material & labor for larger boats for the nine months ended January 31, 2010.

General and Administrative Expenses

General and administrative expenses include, but not limited to:

a) Professional fees for legal, accounting, consulting, and developmental activities;

b) Rental Expense (administrative portion only);

c) Public company related expenditures;

d) Stock compensation for services rendered to the Company;

e) Compensation expenses; and

f) Operating taxes.

During the nine months ended January 31, 2010, the Company incurred $379,224 in general and administrative expenses compared to $109,420 for the nine months ended January 31, 2009.The increase in general and administrative expenses for the nine months period ended January 31, 2010 of $269,804, was mainly due to the accrual of management salary of $264,500 and professional fees of $26,821.

Selling and marketing expenses.

Selling expenses include:

a) Commission paid for sales of our product;

b) Travelling expenses related to sales;

c) Freight expenses; and

d) Marketing expenditures.

4

During the nine months ended January 31, 2010, the Company incurred selling and marketing expenses of $30,805 compared to $0 during the nine months ended January 31, 2009. The increase in selling expenses during the nine months period ended January 31, 2010 compared to the nine months period ended January 31, 2009, was primarily due to the advertising costs of $2,614, $ 1,313 in travel, $7,500 in freight and $8,550 in commission.

Research and Development Expenses

Our Company had incurred $1,370 in research and development expenses during the nine months period ended January 31, 2010.

Other Income (Expense)

Other Income (Expense) consists of:

a) Interest income

b) Interest expense on notes payable, credit cards, line of credits, and shareholders' loans.

Our other expenses increased $31,327 during the nine months period ended January 31, 2010, primarily due to the increase of interest on short-term debt, such as line of credit and credit cards, of Harbor Guard Boats, Inc.

Net Loss.

During the nine months ended January 31, 2010, we recognized a net loss of $521,111 compared to a net loss of $108,365 for the nine months ended January 31, 2009. Based on the explanations described above, our net loss increased by $412,746 for the nine months period ended January 31, 2009.

Liquidity and Capital Resources

As of January 31, 2010, the Company had $100 cash on hand, an inventory of $96,780 and net fixed assets of $741,072. The Company's total current liabilities were $3,081,485 as of January 31, 2010, which was represented mainly accounts payable of $563,765, accrued liabilities of $584,920, deposits from customers of $117,905, short-term debt of $222,957, notes payable of $89,000 and short-term borrowings from shareholders totaling $388,339. In addition, stock subscription payable of $240,625 and note payable for the acquisition of $873,974 are included in the current liabilities. At January 30, 2010, the Company's current liabilities exceeded current assets by $2,859,185.

As of April 30, 2009, the Company had $36,576 cash on hand, an inventory of $410,481 and net fixed assets of $874,095. The Company's total current liabilities were $3,593,014 as of April 30, 2009, which was represented mainly accounts payable of $518,898, accrued liabilities of $377,555, deposits from customers of $242,905, short-term debt of $265,352, notes payable of $64,000 and short-term borrowings from shareholders totaling $311,712. In addition, stock subscription payable of $902,738 and note payable for the acquisition of $909,854 are included in the current liabilities. At April 30, 2009, the Company's current liabilities exceeded current assets by $3,142,791.

The Company generated $17,531 in operating activities for the nine months period ended January 31, 2010 compared to usage of $15,098 for nine months period ended January 31, 2009.

The Company did not provide or use any cash in investing activities for the nine months period ended January 31, 2010 compared to usage of $138 for nine months period ended January 31, 2009.

During the nine months period ended January 31, 2010, the Company used $54,007 from financing activities, which included the $65,976 increase in the lines of credits and credit cards held by the Company. The Company also obtained $25,000 through the issuance of notes payable.. The Company also made $35,880 payments to short-term borrowings from related party, $108,370 lines of credit and credit cards. During the nine months period ended January 31, 2009, the Company obtained $15,367 from financing activities, which included the $8,778 decrease in the lines of credits held by the Company and obtained $24,213 through the issuance of notes payables.

The Company has an accumulated deficit, as of January 31, 2010, of $5,219,395 compared to January 31, 2009 of $4,698,284.

Contractual Obligations and Other Commercial Commitments

The Company does not have capital sufficient to meet its cash needs, including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934. Management will have to seek loans or equity placements to cover such cash needs and cover outstanding payables. Lack of existing capital may be a sufficient impediment to prevent the Company from accomplishing its goal of expanding operations. There is no assurance, however, that without funds we will ultimately be able to carry out its business. No commitments to provide additional funds have been made by the Company's management or other stockholders. Accordingly, there can be no assurance that any additional funds will be available to the Company to cover its expenses as they are incurred. Irrespective of whether the Company's cash assets prove to be inadequate to meet its operational needs, the management might seek to compensate providers of services by issuances of stock in lieu of cash.

Off-Balance Sheet Arrangements

In accordance with the definition under SEC rules, the following qualify as off-balance sheet arrangements:

a) Any obligation under certain guarantees or contracts;

b) A retained or contingent interest in assets transferred to an unconsolidated entity or similar entity or similar arrangement that serves as credit, liquidity, or market risk support to that entity for such assets;

c) Any obligation under certain derivative instruments; and

d) Any obligation under a material variable interest held by the registrant in an unconsolidated entity that provides financing, liquidity, market risk, or credit risk support to the registrant, or engages in leasing, hedging, or research and development services with the registrant.

The following will address each of the above items pertaining to the Company.

As of January 31, 2010, we do not have any obligation under certain guarantees or contracts as defined above.

As of January 31, 2010, we do not have any retained or contingent interest in assets as defined above.

As of January 31, 2010, we do not hold derivative financial instruments.

Accounting for Derivative Instrument and Hedging Activities, as amended.

As of January 31, 2010, we do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities ("SPEs"), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As of April 30, 2009 and 2009, we were not involved in any unconsolidated SPE transactions.

Dividends

The Company has not declared or paid any cash dividends on its common stock and does not anticipate paying dividends for the foreseeable future.

Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 105, "Generally Accepted Accounting Principals" (formerly Statement of Financial Accounting Standards ("SFAS") No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles"). ASC 105 establishes the FASB ASC as the single source of authoritative nongovernmental U.S. GAAP. The standard is effective for interim and annual periods ending after September 15, 2009. We adopted the provisions of the standard on September 30, 2009, which did not have a material impact on our financial statements.
There were various other accounting standards and interpretations issued in 2009, none of which are expected to have a material impact on the Company's financial position, operations or cash flows.

Going Concern

The Company's auditors have issued a "going concern" qualification as part of their opinion in the Audit Report. There is substantial doubt about the ability of the Company to continue as a "going concern." The Company has limited capital, debt in excess of $2,859,185, no significant cash, minimal other assets, and no capital commitments.

ITEM 3. QUANTATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not Applicable

ITEM 4. CONTROLS AND PROCEDURES

Disclosures Controls and Procedures

We have adopted and maintain disclosure controls and procedures (as such term is defined in Rules 13a 15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods required under the SEC's rules and forms and that the information is gathered and communicated to our management, including our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), as appropriate, to allow for timely decisions regarding required disclosure.

As required by SEC Rule 15d-15(b), our Chief Executive Officer carried out an evaluation under the supervision and with the participation of our management, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 15d-14 as of the end of the period covered by this report. Based on the foregoing evaluation, our Chief Executive Officer has concluded that our disclosure controls and procedures are effective in timely alerting them to material information required to be included in our periodic SEC filings and to ensure that information required to be disclosed in our periodic SEC filings is accumulated and communicated to our management, including our Chief Executive Officer, to allow timely decisions regarding required disclosure as a result of the deficiency in our internal control over financial reporting discussed below.

ITEM 4T. CONTROLS AND PROCEDURES

Management's Quarterly Report on Internal Control over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the company in accordance with as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations, including the possibility of human error and circumvention by collusion or overriding of controls. Accordingly, even an effective internal control system may not prevent or detect material misstatements on a timely basis. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management's assessment of the effectiveness of the small business issuer's internal control over financial reporting is as of the quarter ended January 31, 2010. We believe that internal control over financial reporting is not effective. We have not identified any, current material weaknesses considering the nature and extent of our current operations and any risks or errors in financial reporting under current operations.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. This quarterly report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

There was no change in our internal control over financial reporting that occurred during the fiscal quarter ended January 31, 2010, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS –

NONE

ITEM 2. CHANGES IN SECURITIES –

The following additional common shares were issued during period of May 1, 2009 through January 31, 2010:

a) During the nine months ended January 31, 2010, the Company issued a total of 106,250 shares of its restricted common stock to its four independent directors as compensation for their services as directors. The shares were issued at quoted market closing price of $0.04 on OTCBB, for a total value of $4,606.

b) During the nine months ended January 31, 2010, the Company issued a total of 10,000 shares of its restricted common stock as payment of royalty fees. The shares were issued at quoted market closing price of $0.04 on OTCBB, for a total value of $48.

c) During the nine months ended January 31, 2010, the Company issued a total of 11,000,000 of its restricted common stock in lieu of the Modena Sports Designs, LLC acquisition agreement. The shares were issued at quoted market closing price of $0.06 on OTCBB, for a total value of $660,000.

d) During the nine months ended January 31, 2010, the Company issued a total of 70,406 shares of its restricted common stock as payment of rent for the month of January 2010. The shares were issued at agreed price of $010 for a total value of $7,040.

Exemption From Registration Claimed

All of the sales by the Company of its unregistered securities were made by the Company in reliance upon Section 4(2) of the Securities Act of 1933, as amended (the "1933 Act"). All of the individuals and/or entities listed above that purchased the unregistered securities were almost all existing shareholders, all known to the Company and its management, through pre-existing business relationships, as long standing business associates and employees. All purchasers were provided access to all material information, which they requested, and all information necessary to verify such information and were afforded access to management of the Company in connection with their purchases. All purchasers of the unregistered securities acquired such securities for investment and not with a view toward distribution, acknowledging such intent to the Company. All certificates or agreements representing such securities that were issued contained restrictive legends, prohibiting further transfer of the certificates or agreements representing such securities, without such securities either being first registered or otherwise exempt from registration in any further resale or disposition.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES –

NONE

ITEM 4. REMOVED AND RESERVED.

ITEM 5. OTHER INFORMATION -

NONE

ITEM 6. EXHIBITS -

Exhibits. The following is a complete list of exhibits filed as part of this Form 10-Q. Exhibit numbers correspond to the numbers in the Exhibit Table of Item 601 of Regulation S-K.

Exhibit 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act

Exhibit 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act

Exhibit 32.1 Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act

Exhibit 32.2 Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MEDINA INTERNATIONAL HOLDINGS, INC.
(Registrant)

Dated: March 12, 2010

By: /s/ Daniel Medina

Daniel Medina,
President

Dated: March 12, 2010

By: /s/ Madhava Rao Mankal

Madhava Rao Mankal,
Chief Financial Officer