MEDINA INTERNATIONAL HOLDINGS, INC.
Form 10-Q
December 08, 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 October 31, 2010

or

[ ] 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)

1802 Pomona Rd., 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 [ ]   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 November 18, 2010, there were 51,006,747 shares of the registrant's common stock issued and outstanding.

PART I - FINANCIAL INFORMATION

MEDINA INTERNATIONAL HOLDINGS, INC.
AND SUBSIDIARIES
Consolidated Balance Sheets

	Octobe 201 (Unaud
ASSETS	
Current Assets:	
Cash	
Receivables	
Inventory	
Other receivables	
Total current assets	
Property & Equipment	1,
Accumulated depreciation	(
Total property & equipment	
Other assets	
Prepaid Expenses	
TOTAL ASSETS	$
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	
Current liabilities:	
Accounts payable	$
Accrued liabilities	
Short term debt	
Customer Deposit	
Stock subscription payable	
Notes payable	

Related party payable	
Related Parties - short-term borrowings from shareholders	
Total current liabilities	2,
Stockholders' equity (deficit):	
Preferred stock, Series 'A', $.01 par value, 50 shares authorized, 20 issued and outstanding as on October 31, 2010 and April 30, 2010	
Common stock, $0.0001 par value, 100,000,000 shares authorized, 51,006,747 shares issued and outstanding on October 31, 2010 and April 30, 2010	
Additional paid-in capital	3,
Accumulated deficit	(5,
Total stockholders' equity (deficit)	(1,
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	$

The accompanying notes are an integral part of these financial statements

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

	For the three months ended October 31, 2010	2009	F
Sales, net	$ 418,791	$ 694	$ 90
Cost of Goods Sold	238,081	49,369	58
Gross Profit (Loss)	180,709	(48,675)	32
General and administrative expenses	125,409	118,539	24
Selling and marketing expenses	37,169	2,763	9
Research and development expenses	-	-	
Income (Loss) from operations	18,131	(169,977)	(
Other income	-	2,800	
Interest expense	(19,358)	(22,889)	(2
Net other loss	(19,358)	(20,089)	(2
Loss before income tax (expense) benefit	(1,227)	(190,066)	(3

Income tax (expense) benefit	-	-	
Net Loss from Operations	$(1,227)	$(190,066)	$ (3
Net loss per share:			
Basic	$ (0.00)	$ (0.00)	$
Diluted	(0.00)	$ (0.00)	$
Weighted average number of shares outstanding:			
Basic	51,006,747	44,713,219	51,00
Diluted	51,006,747	44,713,219	51,00

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

Medina International Holdings, Inc. and Subsidiaries
Consolidated Statements of Shareholders' Equity (Deficit)
(Unaudited)

	Common Stock Shares	Amount	Preferred Stock Shares	Amount
Balance - April 30, 2008	35,560,091	$ 3,556	-	
Net loss				
Balance - April 30, 2009	35,560,091	3,556	-	
Stock issued to Directors/Officers			20	24
Stock issued to Directors	131,250	13		
Stock issued for acquisition of HGB	11,000,000	1,100		
Stock issued for accrued liabilities	4,135,000	413		
Shares issued for services	80,406	8		
Stock subscription receivable	100,000	10		
Net loss				
Balance - April 30, 2010	51,006,747	5,100	20	24
Net loss				

Balance - October 31, 2010	51,006,747	$ 5,100	$ 20	$ 24

The accompanying notes are an integral part of the financial statements

Medina International Holdings, Inc. and Subsidiaries
Consolidated Statements of Shareholders' Equity
(Unaudited)
(continued)

	Common Stock Subscribed	Subscription Receivable	Accumulated Deficit
Balance - April 30, 2008	$ 10,000	$ (3,000)	$ (2,929,850)
Net loss			(1,768,434)
Balance - April 30, 2009	10,000	(3,000)	(4,698,284)
Stock issued to Directors/Officers			
Stock issued to Directors			
Stock issued for acquisition of HGB			
Stock issued for accrued liabilities			
Shares issued for services			
Stock subscription receivable	(10,000)	3,000	(3,000)
Net loss			(742,070)
Balance - April 30, 2010	-	-	(5,443,354)
Net loss			(33,736)
Balance - October 31, 2010	$ -	$ -	$ (5,477,090)

The accompanying notes are an integral part of the financial statements

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

	Six Months E October 3 2010
Cash flows from operating activities:	
Net loss	$ (33,736)
Adjustments to reconcile net loss to net cash used in operating activities:	
Common stock expenses	2,625
Depreciation expenses	78,556
Gain on settlement of accounts payable	
Write-off of fixed assets	
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	62,283
(Increase) decrease in other receivable	(2,570)
(Increase) decrease in inventory	(40,360)
Increase (decrease) in accounts payable and accrued liabilities	114,079
Increase (decrease) in customer deposits	(207,500)
(Increase) decrease in prepaid expenses	(11,846)
Total adjustments	(4,733)
Net cash (used) received in operating activities	(38,469)
Cash flows from investing activities:	
Purchase of property and equipment	(17,725)
Net cash used in investing activities	(17,725)
Cash flows from financing activities:	
Proceeds from notes payables - related party	20,650
Payments to notes payables - related party	-
(Payments) Proceeds from note payable	(29,000)
Proceeds from lines of credit & credit cards	-
Payments on lines of credit & credit cards	(6,163)
Proceeds from related party - short-term borrowings from shareholders	-
Payment to related party - short-term borrowings from shareholders	(35,213)
Net cash provided (used) by financing activities	(49,726)
Net increase (decrease) in cash and cash equivalents	(105,920)
Cash and cash equivalents - beginning of period	107,223
Cash and cash equivalents - end of period	$ 1,303
Supplemental disclosure of cash flow information:	
Interest Paid	$ 6,985
Taxes paid	$ -

The accompanying notes are an integral part of these financial statements

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PART I - FINANCIAL INFORMATION

Medina International Holdings, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the six months ended October 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. ("HGB"). During 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 October 31, 2010, the Company's current liabilities exceeded its current assets by $2,381,174. Also, the Company's operations generated $907,051 in revenue during the six month period ended and the Company's accumulated deficit was $5,477,090.

We have taken various steps to revise the Company's 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 October 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.

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The future success of the Company is likely dependent on its ability to obtain 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 October 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 six months period ended October 31, 2010 of $1,872.

Inventory

We carry our inventories at the lower of its 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 made domestically and internationally. The Company does not separate sales activities into different operating segments. The Company sold five boats and earned $907,051 in revenues for the six month period ended October 31, 2010.

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 Inventory

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

Item	October 31 2010	April 30, 2010
Raw materials and supplies	$ 35,203	$ 31,699
Work in progress	143,333	106,477
Finished goods	26,476	26,476
Total Inventory	$ 205,012	$164,652

NOTE 4 Property and equipment

As of October 31, 2010 and April 30, 2010, Property and equipment consisted of the following:

Property and Equipment	October 31 2010	April 30, 2010
Machinery and equipment; including molds & tools	$ 1,063,466	$1,045,740
Computers	13,535	13,535
Furniture and fixtures	2,080	2,080
Office equipments	3,200	3,200
Fire Extinguisher	500	500
Total property and equipment	1,082,781	1,065,055
Less: Accumulated Depreciation	(439,764)	(361,207)
Total property and equipment	$ 643,017	$ 703,848

Company purchased machinery and made molds during the six months period ended October 31, 2010.

NOTE 5 Prepaid expenses

As of October 31, 2010 and April 30, 2010, prepaid expenses included operating expenses and vendor deposit in the amount of $20,095 and $8,249, respectively.

NOTE 6 Accrued liabilities

Our accrued liabilities as of October 31, 2010 and April 30, 2010 were as follows:

Accrued Liabilities	October 31 2010	April 30, 2010
Interest - shareholders' loan	$ -	$ 4,047
Interest - related party	10,550	8,500
Interest - notes payable	5,860	5,272
Payroll and taxes	217,180	139,783
Warranty liabilities	32,783	28,473

Total accrued liabilities	$ 266,373	$ 186,075

Interest on shareholders loan was transferred and added to shareholders loan amount as of April 30, 2010. Interest was accrued and included in Shareholders' loan account.

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NOTE 7 Short-term debt

Short-term debt	October 31 2010	April 30, 2010
Line of credit - Financial Institution	$ 94,932	$ 94,932
Credit card	113,663	119,825
Total	$208,595	$214,757

As of October 31, 2010 the Company had a line of credit totaling $100,000, under which the Company may borrow on an unsecured basis at an interest rate of 8.75%. The outstanding balance as of October 31, 2010 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, if the prices of fiberglass and/or aluminum increases significantly, further decreasing 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 consisted of the following:

Customer Deposits	October 31 2010	April 30, 2010
Deposit for commercial boats	$ 80,000	$ 287,500
Deposit for recreational boats	20,500	20,500
Total customer deposits	$ 100,500	$ 308,000

NOTE 10 Notes payable

Notes Payable	October 31 2010	April 30, 2010
Notes payable - related party	$ 65,000	$ 65,000
Notes payable - others	10,000	39,000
Total notes payable	$ 75,000	$ 104,000

As of October 31, 2010, the Company had an unsecured note payable to an unrelated party in the amount of $10,000, which bears interest at 8% per annum, and is currently due. As of October 31, 2010, accrued Interest on this note was $2,860

As of October 31, 2010, the Company had an unsecured note payable to Srikrishna Mankal, son of Madhava Rao Mankal, CFO of the Company, in the amount of $50,000, which bears interest at 8% per annum. As of October 31, 2010, accrued Interest on this note was $9,000.

As of October 31, 2010, the Company had an unsecured note payable to Rosa Medina, mother of Daniel Medina, President of the Company, in the amount of

$15,000, which bears interest at 8% per annum. As of October 31, 2010, accrued Interest on this note was $1,550.

NOTE 11 Related Party Transactions

As of October 31, 2010 the Company owed $835,728 to a related party shareholder incurred as part of the purchase transaction of Modena Sports Design, LLC (currently Harbor Guard Boats, Inc.).

We received a letter dated October 19, 2010, from an attorney representing Albert Mardikian, the CEO of our subsidiary, Harbor Guard Boats, Inc. The letter seeks an accounting of amounts due to Mr. Mardikian. We have provided the accounting and are working with Mr. Mardikian and his counsel to resolve any outstanding issues. We have offered to mediate any remaining disputed items.

During the year ended April 30, 2010, the Company issued 1,455,000 shares of its common stock to Mr. Daniel Medina, President of the Company, in exchange for $145,500 of salary payable to Mr. Medina. The agreement contains a buyback provision of $0.10/share or $145,500, redeemable at any time when the Company has surplus cash.

During the year ended April 30, 2010, the Company issued 1,380,000 shares of its common stock to Mr. Madhava Rao Mankal, Chief Financial Officer of the Company, in exchange for $138,000 of salary payable to Mr. Madhava Rao. The agreement contains a buyback provision of $0.10/share or $138,000, redeemable at any time when the Company has surplus cash.

During the year ended April 30, 2010, the Company issued 1,300,000 shares of its common stock to Mr. Albert Mardikian, Chief Executive Officer of Harbor Guard Boats, wholly owned subsidiary of the Company, in exchange for $130,000 of salary payable to Mr. Albert Mardikian. The agreement contains a buyback provision of $0.10/share or $130,000, redeemable at any time when the Company has surplus cash.

During the year ended April 30, 2010, the Company issued 10,000 shares of its common stock in exchange for royalty payments, at the rate of $0.03/ share or $300, to Mr. Albert Mardikian, Chief Executive Officer of Harbor Guard Boats, wholly owned subsidiary of the Company.

NOTE 12 Shareholders' loans

At October 31 2010, Shareholders' loans consisted of the following:

Shareholders' Loans	October 31	April 30,
	2010	2010
Daniel Medina, President	$ 169,434	$ 156,743
Madhava Rao Mankal, Chief Financial Officer	258,433	250,474

Total Shareholders' Loans	$ 427,867	$ 407,217
Shareholders' loan are unsecured, accrued at 10% interest per annum and due on demand		

During the year ended April 30, 2010, the Company transferred interest accrued on shareholders' loans to the shareholders' loan account in the amount of $75,155. Interest is accrued and included in Shareholders' loan account.

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

NOTE 13 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 October 31, 2010 and April 30, 2010, the Company had 51,006,747 shares of its common stock issued and outstanding. During the six months period ended October 31, 2010 no common shares were issued by the Company.

During the year ended April 30, 2010, the Company issued 1,455,000 shares of its common stock to Mr. Daniel Medina, President of the Company, in exchange for $145,500 of salary payable to Mr. Medina. The agreement contains a buyback provision of $0.10/share or $145,500, redeemable at any time when the Company has surplus cash.

During the year ended April 30, 2010, the Company issued 1,380,000 shares of its common stock to Mr. Madhava Rao Mankal, Chief Financial Officer of the Company, in exchange for $138,000 of salary payable to Mr. Madhava Rao. The agreement contains a buyback provision of $0.10/share or $138,000, redeemable at any time when the Company has surplus cash.

During the year ended April 30, 2010, the Company issued 1,300,000 shares of its common stock to Mr. Albert Mardikian, Chief Executive Officer of Harbor Guard Boats, wholly owned subsidiary of the Company, in exchange for $130,000 of salary payable to Mr. Albert Mardikian. The agreement contains a buyback provision of $0.10/share or $130,000, redeemable at any time when the Company has surplus cash.

During the year ended April 30, 2010, the Company issued 10,000 shares of its common stock in exchange for royalty payments, at the rate of $0.03/ share or $300, to Mr. Albert Mardikian, Chief Executive Officer of Harbor Guard Boats, wholly owned subsidiary of the Company.

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 20 preferred shares were issued or outstanding at October 31, 2010.

In 2010, in satisfaction of a stock subscription payable incurred in 2009, the Company issued 20 shares of its Series `A' preferred stock to two of its executive officers, Messrs. Madhava Rao Mankal, CFO of the Company and Daniel Medina, President of the Company. Mr. Mankal and Mr. Medina each received 10 shares of Series `A' preferred stock, which was valued at $240,000 in total.

Stock Subscriptions Payable

At October 31, 2010, the Company had an obligation to issue 25,000 common shares in consideration for directors' fees and consulting services.

At April 30, 2008, the Company had an incurred obligation to issue 41,250 common shares for past consideration rendered in the amount of $1,563, and an obligation to issue 20 Series `A' preferred shares for past consideration rendered in the amount of $240,000, for a total stock subscription payable liability of $241,563. In addition, as of April 30, 2009, the Company had an incurred obligation to issue 11,091,250 common shares for past consideration rendered in the amount of $662,738, The combined total stock subscription payable liability of $902,738 were fulfilled by the issuance of the common and preferred shares.

NOTE 14 Acquisition

Medina International Holdings, Inc. ("Company") acquired Modena Sport Designs, LLC (currently Harbor Guard Boats, Inc.) a California corporation, on June 18, 2008, as its wholly owned subsidiary. The results of operations of Modena Sport Designs, LLC included in the consolidated financial statements of the Company in the form 10-K for the year ended April 30, 2009, are from June 18, 2008 to April 30, 2009.

The Company accounted for the acquisition of 100% equity of Modena Sport Designs, LLC using the purchase method. The purchase price to acquire Modena Sport Designs, LLC (fixed assets, molds, and license agreements) was 11,000,000 shares of the Company's common stock and $1,000,000 in cash payments, of which $800,000 is contingent on boat sales and $200,000 is currently due.

The 11,000,000 shares of Company's common stock was valued at $0.06, which was the fair value of the Company's common stock traded on the Over-the-counter-bulletin-board (OTCBB) market as of the date of the agreement. Share certificates for 11,000,000 shares were issued on June 1, 2009 and accounted in Medina international Holdings, Inc.'s books for the year ended April 30, 2009.

The complete disclosure of the acquisition of Modena Sports Design, LLC (currently Harbor Guard Boats, Inc.), along with the acquired goodwill, were reported in our annual report on Form 10-K for the period ended April 30, 2010.

NOTE 15 Commitments

Operating Leases

The Company signed a 3 year lease agreement for a 11,900 square feet building in the city of Corona, in the state of California, effective April 2010. The address for this location is 1802 Pomona Rd, Corona, CA 92880. This building is owned by unrelated parties. The lease expires on March 31, 2013, and calls for monthly payments initially at $2,600 per month plus costs, escalating over the term of the lease to $6,000 per month plus costs.

Prior to February 3, 2010, the Company rented a 5,000 square-foot manufacturing facility at 2051 Placentia Ave., Costa Mesa, CA 92627, for $6,500 per month, on a verbal month-to-month basis. This facility was owned by a related party, the CEO of Harbor Guard Boats, Inc. We have accrued $75,500 in rental expenses as of April 30, 2010, with $57,000 incurred in fiscal year 2010. The Company moved its operations to Corona, California, in February of 2010.

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

NOTE 16 Subsequent Events

The Company delivered two (2) boats during November of 2010.

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 providing quality products and services to emergency and rescue personnel who risk their lives to save others. We design, manufacture, test, deliver, and support fire rescue, rescue, and patrol watercrafts (commercial), ranging from 15' to 37' in length. Our commercial watercrafts are sold to organizations dedicated to protecting its country and its citizens. Our products are sold to fire, search & rescue, emergency, police, defense, and military departments in the United States and abroad. 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, organization's decision maker(s) 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.

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Strategy

Our business strategy is to deliver quality products and services to aid organizations dedicated to protect its citizens. 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;

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

The Company recognized $418,791 in revenues during the three months ended

October 31, 2010 as compared to $694 for the three months period ended October 31, 2009, resulting from an increase in sales during the quarter of $418,097. We sold two boats for the three months ended October 31, 2010 compared to none during the three months ended October 31, 2009.

Our cost of goods sold for the three months ended October 31, 2010 was $238,081 compared to $49,369 during the three months ended October 31, 2009. The increase in cost of goods sold of $188,712 or 382% was a result due to increase in corresponding sales activities.

During the three months ended October 31, 2010, we incurred general and administrative expenses of $125,409 compared to $118,539 during the three months ended October 31, 2009. The increase in general and administrative expenses for the three months period ended October 31, 2010 of $6,870 or 6% was mainly due to the accrual of management salary.

During the three months ended October 31, 2010, the Company incurred selling and marketing expenses of $37,169 compared to $2,763 during the three months ended October 31, 2009. The increase of $34,406 or 1245% in selling expenses was primarily due to the sales commission of $19,936, freight charges of $5,371 and marketing expenses of $5,470.

Interest expense decreased by $3,531 or 15% for the three month period ended October 31, 2010. The Company incurred $19,358 for the three month period ended October 31, 2010 compared to $22,889 for the three month period ended October 31, 2009.

During the three months ended October 31, 2010, the Company recognized a net loss of $1,227 compared to $190,066 during the three months ended October 31, 2009. Decrease in net loss of $188,839 or 99% was a result of $229,384 increase in gross profit.

For the Six Months Ended October 31, 2010 Compared to the Six Months Ended October 31, 2009

The Company recognized $907,051 in revenue during the six months period ended October 31, 2010 as compared to $1,564 for the six months period ended October 31, 2009 resulting from an increase in sales during the six months ended by $905,487. We sold five boats for the six months ended October 31, 2010 compared to none during the six months ended October 31, 2009.

Our cost of goods sold for the six months ended October 31, 2010 was $580,964compared to $97,130 during the six months ended October 31, 2009. The increase in cost of goods sold of $483,834 or 498% was a result due to increase in corresponding sales activities.

During the six months ended October 31, 2010, we incurred general and administrative expenses of $240,156 compared to $256,680 during the six months ended October 31, 2009. The decrease in general and administrative expenses for the six months period ended October 31, 2010 of $16,524 or 6% was mainly due to mainly due to the reduction in certain administration expenses.

During the six months ended October 31, 2010, the Company incurred selling and marketing expenses of $90,300 compared to $3,050 during the six months ended October 31, 2009. The increase of $87,250 or 2861% in selling expenses was primarily due to the sales commission of $54,874, freight charges of $13,400 and marketing expenses of $19,052.

Interest expense decreased by $19,579 or 40% for the six month period ended October 31, 2010. The Company incurred $29,366 for the six month period ended October 31, 2010 compared to $48,945 for the six month period ended October 31, 2009.

During the six months ended October 31, 2010, the Company recognized a net loss of $33,736 compared to $401,275 during the six months ended October 31, 2009. Decrease in net loss of $367,539 or 92% was a result of the $421,653 increase in gross profit.

Liquidity and Capital Resources

As of October 31, 2010, the Company had $1,303 cash on hand, an inventory of $200,070 and net property and equipment of $643,017. The Company's total current liabilities were $2,590,524 as of October 31, 2010, which was represented mainly accounts payable of $673,836, accrued liabilities of $266,373, deposits from customers of $100,500, short-term debt of $208,595, notes payable of $75,000 and short-term borrowings from shareholders totaling $427,867. In addition, stock subscription payable of $2,625 and note payable incurred as a result of acquisition of $835,729 are included in the current liabilities. At October 30, 2010, the Company's current liabilities exceeded current assets by $2,381,174.

The Company used $38,469 in operating activities for the six months period ended October 31, 2010 compared to usage of $77,493 for six month period ended October 31, 2009.

The Company used $17,725 in investing activities for the six months period ended October 31, 2010 compared to none for six month period ended October 31, 2009.

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During the six months period ended October 31, 2010, the Company used $49,726 in financing activities, which included payment of $6,163 towards the lines of credits and credit cards held by the Company. The Company made $29,000 in payments towards notes payable and $35,213 in payments towards short-term borrowings from related parties. During the six months period ended October 31, 2009, the Company made payments towards short-term borrowings from related parties, lines of credit and credit cards, and notes payables in the amount of $12,885, $20,904, and $44,856, respectively.

During the six months period ended October 31, 2009, the Company received proceeds from line of credit, note payable, and notes payable from related parties in the amount of $53,432, $25,000, and $15,450, respectively, compared to none for the six month period ended October 31, 2010.

The Company has an accumulated deficit, as of October 31, 2010, of $5,482,032 compared to $5,443,354 as of October 31, 2009.

Contractual Obligations and Other Commercial Commitments

The Company does not have sufficient capital 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 that the

Company will be able to carry out our 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 October 31, 2010, we do not have any obligation under certain guarantees or contracts as defined above.

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

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

Accounting for Derivative Instrument and Hedging Activities, as amended.

As of October 31, 2010, we did 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 October 31, 2010 and April 30, 2010, 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

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. For the year ended April 30, 2010, there was substantial doubt about the ability of the Company to continue as a "going concern." The Company has limited capital, debt in excess of $2,381,174, 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 maintained 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 and our Chief Financial Officer have concluded that our disclosure controls and procedures are not 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 and Chief Financial Officer, to allow timely decisions regarding required disclosure as a result of the deficiency in our internal control over financial reporting discussed below.

There was no change in our internal control over financial reporting that occurred during the quarter ended October 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 1A. RISK FACTORS

None.

ITEM 2. CHANGES IN SECURITIES -

For the six month period ended October 31, 2010, the Company did not issue any securities.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES -

None.

ITEM 4. REMOVED AND RESERVED

None.

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: December 7, 2010

By: /s/ Daniel Medina

Daniel Medina,
President

Dated: December 7, 2010

By: /s/ Madhava Rao Mankal

Madhava Rao Mankal,
Chief Financial Officer