

ATLANTIC WINE AGENCIES INC
Form 10QSB
February 21, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D. C. 20549
FORM 10-QSB
QUARTERLY REPORT UNDER SECTION 13 or 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended December 31, 2006
Commission file number 333-63432
Atlantic Wine Agencies Inc.
(Exact name of small business issuer as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

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

Golden Cross House
8 Duncannon Street, London, United Kingdom WC2N 4JF
(Address of principal executive offices) (Zip Code)

Issuer's telephone number: 011-44-207-484-5005
(Issuer's telephone number)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No

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

The number of shares of the issuer's outstanding common stock, which is the only class of its common equity, on February 16, 2007, was 86,323,880.

ITEM 1 FINANCIAL STATEMENTS

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ITEM 1. FINANCIAL STATEMENTS

ATLANTIC WINE AGENCIES, INC. and SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEETS

December 31, 2006

CURRENT ASSETS

Cash	\$	13,942
Accounts receivable		194,451
Inventory		8,536
Prepaid expenses and other		599,115
Total Current Assets		816,044

OTHER ASSETS

Property, plant and equipment, net		2,678,722
Trademarks, net		1,426
	\$	3,496,192

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Loans from principal shareholders		1,257,663
Accounts payable		297,285
Accrued expenses		321,837
Accrued payroll taxes		719
Total Current Liabilities		1,877,504

STOCKHOLDERS' EQUITY

Common stock authorized 150,000,000 shares; \$0.00001 par value; issued and outstanding 86,323,880 shares		868
Additional contributed capital		7,829,536
Accumulated other comprehensive income		321,530
Accumulated deficit		(6,533,246)
Total Stockholders' Equity		1,618,688
	\$	3,496,192

See accompanying notes to financial statements.

ATLANTIC WINE AGENCIES, INC. and SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2006	2005	2006	2005
NET SALES	\$ 20,577	\$ 468,723	\$ 121,176	\$ 1,071,152
COSTS AND EXPENSES				
Cost of goods sold	27,816	531,866	79,321	1,060,006
Selling, general and administrative	148,980	603,924	318,792	1,513,569
Depreciation and amortization	24,779	58,581	75,644	93,969
Total Costs and Expenses	201,575	1,194,371	473,757	2,667,544
OTHER EXPENSES				
Insurance claims			(9,505)	
Interest expense	5,539	256	6,156	5,391
Total Other Expenses	5,539	256	(3,349)	5,391
NET LOSS	\$ (186,537)	\$ (725,904)	\$ (349,232)	\$ (1,601,783)
NET LOSS PER SHARE, basic and diluted	(0.01)	(0.01)	(0.01)	(0.02)
Weighted average number of common shares outstanding	86,323,880	84,838,077	86,323,880	84,838,077

See accompanying notes to financial statements.

ATLANTIC WINE AGENCIES, INC. and SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Nine Months Ended	
	December 31,	
	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for period	\$ (349,232)	\$ (1,601,783)
Non-cash item included in net loss:		
Depreciation and amortization	75,644	93,969
Provision for doubtful accounts	75,600	
Changes in operating assets and liabilities:		
Accounts receivable	237,014	(570,623)
Inventory	(274,623)	1,142,800
Receivable from officer	48,761	
Prepaid and other	606	43,960
Accounts payable	23,060	110,071
Accrued expenses	76,091	(113,752)
Accrued payroll taxes	(25,207)	(65,181)
Net Cash Used In Operating Activities	(161,047)	(911,778)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		87,831
Net Cash Provided by (Used in) Investing Activities		87,831
CASH FLOWS FROM FINANCING ACTIVITIES		
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