ATLANTIC WINE AGENCIES INC
Form 10QSB/A
August 09, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D. C. 20549
FORM 10-QSB/A
QUARTERLY REPORT UNDER SECTION 13 or 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2004
Commission file number 333-63432
Atlantic Wine Agencies Inc.
(Exact name of small business issuer as specified in its charter)

Florida	65-110237
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Golden Cross House
8 Duncannon Street
London
WC2N 4JF
(Address of principal executive offices)

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

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ___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 August 18, 2004 was 104,063,027.

ITEM 1 FINANCIAL STATEMENTS

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ITEM 1. FINANCIAL STATEMENTS

ATLANTIC WINE AGENCIES, INC. and SUBSIDIARIES
(Formerly New England Acquisitions, Inc.)

CONSOLIDATED BALANCE SHEET
JUNE 30, 2004

CURRENT ASSETS	
Cash	$ 309,944
Accounts receivable	21,534
Inventory	300,359
Total Current Assets	631,837
OTHER ASSETS	
Property, plant and equipment, net	2,399,271
	$ 3,031,108

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Accounts payable	$ 76,431
Accrued expenses	30,000
Total Current Liabilities	106,431
LONG-TERM DEBT	
Due to principal stockholders	298,618
STOCKHOLDERS' EQUITY	
Common stock authorized 150,000,000 shares; $0.00001 par value; issued and outstanding 104,063,027 shares	1,041
Additional contributed capital	3,861,839
Other comprehensive income	128,544
Deficit accumulated during Development Stage	(1,365,365)
Total Stockholders' Equity	2,626,059

$ 3,031,108

See accompanying notes to financial statements.

ATLANTIC WINE AGENCIES, INC. and SUBSIDIARIES
(Formerly New England Acquisitions, Inc.)

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended June 30, 2004	Period March 1, 2004 (Inception) to June 30, 2004
NET SALES	$ 56,143	$ 56,143
COSTS AND EXPENSES		
Cost of goods sold	128,107	128,107
Stock Based Compensation	999,000	1,139,000
Selling, general and administrative	148,849	148,849
Depreciation and amortization	5,543	5,543
Total Costs and Expenses	1,281,499	1,421,499
NET OPERATING LOSS	(1,225,356)	(1,365,356)
OTHER EXPENSE		
Interest expense	(9)	(9)
NET LOSS	$(1,225,365)	$ (1,365,365)
NET LOSS PER SHARE, basic and diluted	$ (0.02)	$ (0.02)
Weighted average number of common shares outstanding	67,799,291	67,799,291

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

See accompanying notes to financial statements.

ATLANTIC WINE AGENCIES, INC. and SUBSIDIARIES
(Formerly New England Acquisitions, Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended June 30,	Period March 1, 2004 (Inception) to June 30,
CASH FLOWS FROM OPERATING ACTIVITIES	2004	2004
Net loss for period	$(1,225,365)	$(1,365,365)
Non-cash item included in net loss:		
Stock based compensation	999,000	1,139,000
Depreciation and amortization	5,574	5,574
Changes in operating assets and liabilities:		
Accounts receivable	(4,610)	(4,610)
Inventory	(57,931)	(57,931)
Accounts payable	58,872	58,872
Accrued expenses	(13,500)	(13,500)
Increase in due to principal stockholders	298,618	298,618
Net Cash (Used In) Provided by Operating Activities	60,658	60,658
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash acquired in acquisition	120,742	120,742
Net Cash Provided by Financing Activities	120,742	120,742
EFFECT OF EXCHANGE RATE CHANGES ON CASH	128,544	128,544
NET (DECREASE) INCREASE IN CASH	309,944	309,944
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
CASH AT END OF PERIOD	$ 309,944	$ 309,944
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 9	$ 9

See accompanying notes to financial statements.

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Atlantic Wine Agencies, Inc.
(A Development Stage Company)
and Subsidiaries

Consolidated Statement of Stockholders' Equity
June 30, 2004

	Common Stock Shares	Common Stock Amount	Paid in Capital	Accum Def
New Heights 560 Holdings, LLC capital contribution December 15, 2003 - Note A	50,000	$ 50,000		
Additional capital contribution March 2004			$2,673,880	
Total New Heights 560 Holdings, LLC prior to reverse merger	50,000	50,000	2,673,880	
Merger with Atlantic Wine Agencies, Inc.:				
Cancellation of New Heights 560 Holdings, LLC outstanding shares	(50,000)	(50,000)	50,000	
Equity of Atlantic Wine Agencies, Inc. at March 31, 2004	63,027	1	69,355	(6
Capitalization of Atlantic Wine Agencies, Inc. accumulated deficit			(69,356)	6
Issuance of 100,000,000 shares to acquire New Heights 560 Holdings, LLC	100,000,000	1,000	(1,000)	
Issuance of common stock to consultants @ $0.035 per share	4,000,000	40	139,960	(14
Transfer of 39,960,000 shares from controlling stockholder to employees			999,000	
Net loss for the three months ended April 30, 2004				(1,22
	104,063,027	$ 1,041	$3,861,839	$(1,3

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See accompanying notes to financial statements.

ATLANTIC WINE AGENCIES,
INC. and SUBSIDIARIES
(Formerly New England Acquisitions, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2004

NOTE A - BASIS OF PRESENTATION

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

NOTE B - REVERSE MERGER

On May 4, 2004, the stockholders of New Heights 560 Holdings, LLC a Cayman Island Limited Liability Company, acquired 100,000,000 shares of Atlantic Wine Agencies, Inc. common stock in an exchange of shares, thereby obtaining control of the company. Subsequent to the acquisition, New Heights 560 Holdings, LLC controlled 99% of the outstanding common stock of the company. In this connection, New Heights 560 Holdings, LLC became a wholly owned subsidiary of Atlantic Wine Agencies, Inc. Prior to the acquisition, Atlantic Wine Agencies, Inc. was a non-operating public shell corporation. Pursuant to Securities and Exchange Commission rules, the merger or acquisition of a private operating company into a non-operating public shell corporation with nominal net assets is considered a capital transaction. Accordingly, for accounting purposes, the acquisition has been treated as an acquisition of New Heights 560 Holdings, LLC by the Company and a recapitalization of Atlantic Wine Agencies, Inc. Since the merger is a recapitalization of Atlantic Wine Agencies, Inc. and not a business combination, pro-forma information is not presented.

NOTE C - GOING CONCERN

As indicated in the accompanying financial statements, the Company has incurred cumulative net operating losses of $1,365,365 since inception and is considered a company in the development stage. Management's plans include the raising of capital through the equity markets to fund future operations and the generating of revenue through its business. Failure to raise adequate capital and generate adequate sales revenues could result in the Company having to curtail or cease operations. Additionally, even if the Company does raise sufficient capital to support its operating expenses and generate adequate revenues, there can be no assurances that the revenue will be sufficient to enable it to develop business to a level where it will generate profits and cash flows from operations. These matters raise substantial doubt about the Company's ability to continue as a going concern. However, the accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

ATLANTIC WINE AGENCIES,
INC. and SUBSIDIARIES
(Formerly New England Acquisitions, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2004

NOTE D - STOCK BASED COMPENSATION

In May 2004, the controlling stockholder transferred 39,960,000 shares of his common stock to the newly hired key employees. The shares were valued at $0.025 per share.

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

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

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

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

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

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

RESULTS OF OPERATIONS

Operating costs for the period from inception to June 30, 2004 aggregated $1,281,499. This includes costs incurred as stock-based compensation of $999,000 and operating expenses of $282,508. As a result of the above we realized a cumulative loss of $1,225,356 or $0.02 per share.

LIQUIDITY AND CAPITAL RESOURCES

For the three month period ended June 30, 2004, net cash used to fund operating activities totaled $60,658 and net cash provided by financing activities totaled $120,742.

The Company has not generated revenues and has financed its operations to date through capital contributions of its shareholders and has received $298,618 from such contributions. Cash on hand was $309,944 as of June 30, 2004.

The Company's auditor has raised its doubts as to the Company's ability to continue as a going concern. The Company's management plans to continue to develop its brand and products in the market place with the intent that the business will be self sustaining from a cash flow standpoint within the next twelve to eighteen months. Although there is no written agreement between the Company and those entities which have contributed capital to the Company and no assurances can be made regarding such relationships, the Company's management believes that it will continue to have access to the necessary funds to maintain its operations for the next twelve months or more.

DEVELOPMENT AND INTEGRATION OF BUSINESS MODEL

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's discussion and analysis of its financial condition and results of operations are based upon the its financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including those related to bad debts, income taxes and contingencies and litigation, when applicable. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Item 3. Controls and Procedures.

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

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

(c) Not applicable

PART II

Item 1. Legal Proceedings
None.

Item 2. Changes in Securities
None

Item 3. Defaults Upon Senior Securities
None

Item 4. Submission of Matters to a Vote of Security Holders
None

Item 5. Other Information
None

Item 6. Exhibits and Reports on Form 8-K

a. Exhibit Index

Exhibit 31.1 Certification of President and Principal Financial Officer

Exhibit 32.1 Certification of President and Principal Financial Officer

b. Reports on Form 8-K

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

SIGNATURES

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

ATLANTIC WINE AGENCIES INC.

/s/ Adam Mauerberger

Name: Adam Mauerberger
Title: President, Chief Financial Officer and Chairman of the Board
Date: August 9, 2005