

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

ATLANTIC WINE AGENCIES INC
Form 10KSB
August 17, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-KSB
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2005

Commission File Number
333-63432

ATLANTIC WINE AGENCIES INC.
(Name of small business issuer in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

65-1102237
(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 Securities registered under
Section 12(b) of the Exchange Act:

None

Securities registered under Section 12(g) of the Exchange Act:

None

Check whether the issuer (1) 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 []

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. []

The aggregate market value of the voting common stock held by non-affiliates of the registrant as of August 15, 2005 was approximately \$63,909,365 based on 35,505,203 shares of common stock outstanding on August 15, 2005.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

Background

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

We are a Florida corporation formed on April 8, 2001. We were organized to be a blank check company.

On December 16, 2003, Rosehill Investments Limited, a Seychelles corporation ("Rosehill"), acquired 11,937,200 shares of New England Acquisitions, Inc.'s ("Company") Common Stock ("Shares") pursuant to a Stock Purchase Agreement among Rosehill, the Company, Mr. Jonathan B. Reisman and Mr. Gary Cella (the "Agreement"). 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. As a result of the stock sale, the Directors of the Company resigned and ultimately Mr. Harry Chauhan was appointed as the sole officer and director.

At that time there were 12,552,395 shares of common stock issued and outstanding.

On January 13, 2004, the Company amended its Articles of Incorporation to change its name from New England Acquisitions, Inc. to Atlantic Wine Agencies Inc.

On February 9, 2004, the Company's directors resigned and Mr. Harry Chauhan was appointed as the Company's sole Director and its President.

On March 1, 2004 the Company completed a 1-for-200 reverse capitalization without affecting the par value or authorized number of shares.

On May 4, 2004 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 "Share Exchange"). New Heights owned the property in South Africa on which our vineyard operations are located.

Prior to the Share Exchange, the Company was engaged in the business of manufacturing and distributing various skin creams and generated minimal revenues as a result.

Present

As a result of the Share Exchange, 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.

Mount Rozier Estates (Pty) Limited and Mount Rozier Properties (Pty) Limited produces top end quality wines on a boutique vineyard basis. We intend to become a notable producer of quality wines from South Africa by further: (i) developing and expanding our wine cellars through better crop management; (ii) enhancing our strategic distribution channels with Atlantic Wine Agencies Limited; and (iii) brand development efforts.

The launch of the wines under new patent branded labeling and marketing occurred in the fourth fiscal quarter of 2004 in South Africa and the United Kingdom. However, we anticipate a steady growth of sales to occur during the remaining quarters of the calendar year 2005.

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

Our wines were initially issued in three tiers: Mount Rozier a top quality premium brand; Rozier Bay a mid price range wine; Rozier Reef and a mass market product. Such wines have received several significant awards recently and we are building a regional route to market for sales which is on target with our early internal projections.

In September 2004, Mr. Adam Mauerberger became President of the Company and Chairman of the Board. Also in September the Company hired Mr. Andy Bayley to be the Senior Vice President of Sales and Marketing.

Atlantic Wine Agencies Ltd. has also contracted the services of Mr. Christopher Burr a wine master internationally respected for his opinion and knowledge of wines and a former managing director of Christies Auction House in London, as well as hired a specialist wine maker, a professional viticulturalist and an experienced estate manager.

Dominion Exchange Transaction

On September 16, 2004, in exchange for 20,000,000 shares of our common stock and payments of AUD\$3,360,000 ("Shareholder Loan") among other consideration, we entered into an agreement to acquire all of the shares of two Australian companies, Dominion Estates Pty Ltd and Dominion Wines Ltd (collectively, "Dominion Entities") which we believed would enhance our presence in Australia and our ability to further deliver a high quality product locally in Australia ("Dominion Exchange Transaction"). In order to make the AUD\$3,360,000 payment to the Dominion Entities, the Company had to borrow such funds from a shareholder of the Company. As a result of the anticipated success of the Dominion Exchange Transaction, on October 26, 2004, the Company added Messrs. Andy Bayley and Carl Voss to its Board of Directors.

Over the course of the 6 months following September 2004, our independent auditor along with the Dominion Estates local auditor were unable to complete audits on the Dominion Entities as required by the United States Federal Securities Laws due to a lack of accurate record keeping and supporting valuations by local management. In addition to the aforementioned issues, the Company's management concluded that the value of the assets of the Dominion Entities were unclear and that a substantial charge over the assets of one of those enterprises, by a local law firm, had not been discharged post-settlement in contravention to the Company's understanding. The Company's management believed a material breach of the Share Exchange Agreement governing the Dominion Share Exchange had occurred, but the prudent course of action was to attempt to facilitate a settlement if at all possible with the seller of the Dominion Entities rather than litigate.

As a stop gap measure, the Company placed one of the Dominion Entities, Dominion Estates Pty Ltd ("Dominion Estates") into voluntary administration in Australia with the hope that a local administrator would be successful in clarifying the true financial status of Dominion Estates and effecting the desired settlement. As a result of the failed Dominion Exchange Transaction, the Company's shareholders determined that a change of management was required and Messrs. Harry Chauhan and Carl Voss tendered their resignations in March of 2005.

The 20,000,000 shares of the Company issued in the Dominion Exchange Transaction are now held in Escrow by United States counsel to the Dominion Entities and we anticipate effecting the settlement shortly whereby: (i) the 20,000,000 shares will be returned to the Company and subsequently cancelled, (ii) the Shareholder Loan will be forgiven; and (iii) The Company will be released from any and all liabilities related to the Dominion Entities. In the event the settlement transaction is not effected we will take all necessary steps to cancel the 20,000,000 shares of the Company issued pursuant to the Dominion Exchange

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

Transaction and recover all sums loaned to the Dominion Entities including legal and accounting expenses incurred in the United States and abroad.

ITEM 2. DESCRIPTION OF PROPERTY

Mount Rosier Estate a World Class Vineyard located in previously known as Myrtle Grove No 1380, Stellenbosch. The property is sub divided in parcels of land of 50.9 hectares and 29.2 hectares making a total of 80.10 hectares. The Company also manages 29.6 hectares owned by a neighboring farm.

2

The Estate also comprises of a winery, barrel holding area, a number of outer houses which are being converted into Guest Lodges, 2 main residences one for the use of the Estate Manager, and the other to be converted into Wine tasting and picnic area.

The existing wine tasting area which is attached to the barrel storage area and winery will be converted to a meet and greet area for the professional buyers. The Estate also has its own water dam which supplies not only the farm on the estate but also other neighbors on a limited basis. Around 20 hectares of land are under wine currently which will increase to around 60 hectares. The property is located next to a site owned by a wine farm, known as Vergelegen Estate.

Access to the farm is by way of a servitude road which is a common road, which is served and serviced by all the farms in the vicinity, therefore can be classed as a common access road.

ITEM 3. LEGAL PROCEEDINGS

Other than as disclosed below, the Company is not a party to any material pending legal proceedings or government actions, including any bankruptcy, receivership, or similar proceedings. Management of the Company does not believe that there are any proceedings to which any director, officer, or affiliate of the Company, any owner of record of the beneficially or more than five percent of the common stock of the Company, or any associate of any such director, officer, affiliate of the Company, or security holder is a party adverse to the Company or has a material interest adverse to the Company.

The Company's estate manager, Mr. Dave Lyddell, who resigned during the reporting period under claimed duress has threatened to take action against the Company's South African subsidiaries for lost salary and other damages in the event that a settlement cannot be reached. However, although we believe that a settlement with Mr. Lyddell is likely, we are prepared to vigorously defend ourselves if necessary.

As referenced above in connection to the Dominion Exchange Transaction, the Company has retained counsel in Australia as well as the United States to prepare a litigation strategy against all related Dominion Entities' parties in the event that the anticipated settlement transaction does not occur in a timely manner.

3

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

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

- 1) On May 4, 2004, the majority shareholder approved entering into an exchange agreement with New Heights 560 Holdings, Inc., whereby New Heights became the majority shareholder in exchange for all of its assets.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) The Company's Common Stock is traded on the OTC-Bulletin Board under the symbol AWNA. The following sets forth the range of the closing bid prices for the Company's Common Stock for the period January 1, 2003 through August 15, 2005. Such prices represent inter-dealer quotations, do not represent actual transactions, and do not include retail mark-ups, mark-downs or commissions. Such prices were determined from information provided by a majority of the market makers for the Company's Common Stock.

	High Close	Low Close
2003		
First Quarter	1.90	1.60
Second Quarter	2.25	1.45
Third Quarter	No activity	No activity
Fourth Quarter	3.00	.60
2004		
First Quarter	1.25	1.00
Second Quarter	3.00	1.15
Third Quarter	2.10	1.77
Fourth Quarter	2.15	1.77
2005		
First Quarter	1.78	1.75
Second Quarter (through 8/15/05)	1.78	1.75

- (b) The approximate number of holders of the Common Stock of the Company as of August 15, 2005 was 538.
- (c) No cash dividends were declared by the Company during the fiscal year ended March 31, 2005. While the payment of dividends rests within the discretion of the Board of Directors, it is not anticipated that cash dividends will be paid in the foreseeable future, as the Company intends to retain earnings, if any, for use in the development of its business. The payment of dividends is contingent upon the Company's future earnings, if any, the Company's financial condition and its capital requirements, general business conditions and other factors.
- (d) No shares were available for issuance under any equity compensation plan at March 31, 2005.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

It should be noted that this Management's Discussion and Analysis of Financial Condition and Results of Operations may contain "forward-looking statements." The terms "believe," "anticipate," "intend," "goal," "expect," and similar expressions may identify forward-looking statements. These forward-looking statements represent the Company's current expectations or beliefs concerning future events. The matters covered by these statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements, including the Company's dependence on weather-related factors, introduction and customer acceptance of new products, the impact of competition and price erosion, as well as supply and manufacturing restraints and other risks and uncertainties. The foregoing list should not be construed as exhaustive, and the Company disclaims any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements, or to reflect the occurrence of anticipated or unanticipated events. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation that the strategy, objectives or other plans of the Company will be achieved. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made.

RESULTS OF OPERATIONS

We are currently in the early stages of our first sales cycle and have generated \$120,913 to date. Our activities from inception through the second quarter of fiscal 2004 were related to our formation, preparation of our business model, arranging and planning financing, developing our business model and acquiring the rights to various properties as well as growing and harvesting our grapes. During the third and fourth quarters of fiscal 2004 we began the production and consequent bottling of our wines.

We have financed our operations to date through loans made to us by our shareholders and their affiliates.

Operating costs for the year ended March 31, 2005 aggregated \$1,384,657 or (0.01) per share as compared to \$1,189,165 or (0.01) per share for the year ended March 31, 2004.

Our wine distribution began in earnest after the end of the reporting period and we anticipate significant sales during the following quarters as a result of our increased presence in the marketplace.

LIQUIDITY AND CAPITAL RESOURCES

For the year ended March 31, 2005 net cash used to fund operating activities totaled \$(2,377,695), net cash utilized by investing activities totaled \$(330,850) and net cash provided by financing activities totaled \$2,910,668.

From inception through March 31, 2004, net cash used to fund operating activities totaled approximately \$(247,070), net cash utilized by investing activities totaled \$(2,519,672) and net cash provided by financing activities totaled \$2,878,861.

The primary reason for the difference in net cash utilized by investing activities was the acquisition of property and equipment occurring in the year ended March 31, 2004 to which we did not have a corresponding activity for the year ended March 31, 2005.

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

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. 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.

5

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Instruments with Characteristics of Both Liabilities and Equity." This standard requires that certain financial instruments embodying an obligation to transfer assets or to issue equity securities be classified as liabilities. It is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is generally effective July 1, 2003. This standard had no impact on the Company's financial statements.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure - an Amendment to FASB Statement No. 123." SFAS No. 148 amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods for transition to SFAS No. 123's fair value method of accounting for stock-based compensation. As amended by SFAS No. 148, SFAS No. 123 also requires additional disclosure regarding stock-based compensation in annual and condensed interim financial statements. The new disclosure requirements became effective immediately.

6

ITEM 7. FINANCIAL STATEMENTS

Item 7. Financial Statements

Table of Contents

Report of Independent Auditor	F-1
Consolidated Balance Sheets	F-2
Consolidated Statement of Stockholders' Equity	F-3
Consolidated Statements of Operations	F-4
Consolidated Statements of Cash Flows	F-5
Notes to Financial Statements	F-6

MEYLER & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS
ONE ARIN PARK
1715 HIGHWAY 35
MIDDLETOWN, NJ 07748

Report of Independent Registered Public Accounting Firm

Board of Directors
Atlantic Wine Agencies, Inc. and Subsidiaries
London, United Kingdom

We have audited the accompanying consolidated balance sheets of Atlantic Wine Agencies, Inc. and Subsidiaries as of March 31, 2005 and 2004 and the related consolidated statements of operations, stockholders' equity and cash flows for the year and the month then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2005 and 2004 and the results of its operations and its cash flows for the year ended March 31, 2005 and for the period March 1, 2004 (inception) to March 31, 2005, in conformity with U.S. generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note A to the consolidated financial statements, the Company has incurred cumulative losses of \$2,812,566 since inception, and there are existing uncertain conditions the Company faces relative to its ability to obtain capital and operate successfully. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note A. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Meyler & Company, LLC

Middletown, NJ
August 1, 2005

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

Atlantic Wine Agencies, Inc.
and Subsidiaries

Consolidated Balance Sheets

Assets

	March 31,	
	2005	2004
	----	----
Current Assets		
Cash	\$ 97,487	\$ 113,086
Accounts receivable	37,055	15,851
Inventory	1,543,457	227,058
Prepaid expenses and other	43,960	
Receivable from officer	48,761	
	-----	-----
Total Current Assets	1,770,720	355,995
	-----	-----
Property and equipment, net of accumulated depreciation of \$41,249 and \$1,311, respectively	2,758,000	2,469,829
Other Assets		
Trademarks, net of accumulated amortization of \$9,784 and \$405, respectively	40,012	48,128
	-----	-----
	\$ 4,568,732	\$ 2,873,952
	=====	=====
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 101,381	\$ 1,768
Accrued expenses	113,752	14,677
Due to Dominion Estates Pty Ltd	344,381	
Accrued payroll taxes	65,181	
	-----	-----
	624,695	16,445
Long Term Liabilities		
Loans from principal stockholders	2,721,269	154,982
Stockholders' Equity		
Common stock authorized 150,000,000 shares; \$0.00001 par value; issued and outstanding 84,838,027 and 104,063,027 shares at March 31, 2005 and 2004, respectively	849	1,041
Paid-in capital	4,249,531	3,861,839
Accumulated deficit	(2,812,566)	(1,161,322)
Accumulated other comprehensive income	(215,046)	967
	-----	-----
Total Stockholders' Equity	1,222,768	2,702,525
	-----	-----

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

\$ 4,568,732 \$ 2,873,952

See accompanying notes to financial statements.

F-2

Atlantic Wine Agencies, Inc.
and Subsidiaries

Consolidated Statements of Operations

For the Year	March 1, 2004	
Ended March 31,	Inception	
2005	to March 31, 2004	
-----	-----	-----
Net Sales	\$ 120,913	\$ 27,843
Costs and Expenses		
Cost of sales	137,589	7,314
Selling, general and administrative	1,189,756	41,127
Interest expense	4,808	8
Stock based compensation	387,500	1,139,000
Depreciation and amortization	52,504	1,716
	-----	-----
Total Costs and Expenses	1,772,157	1,189,165
	-----	-----
Net loss	\$ (1,651,244)	\$ (1,161,322)
	=====	=====
Net Loss Per Common Share (Basic and Diluted)	\$ (0.02)	\$ (0.01)
	-----	-----
Weighted Average Common Shares Outstanding	93,169,945	104,063,027
	=====	=====

See accompanying notes to financial statements.

F-3

Atlantic Wine Agencies, Inc.
and Subsidiaries

Consolidated Statement of Stockholders' Equity
March 31, 2005

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

	Common Stock		Paid in Capital	Accumulate Deficit
	Shares	Amount		
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		
Equity of Atlantic Wine Agencies, Inc. at March 31, 2004	63,027	1	69,355 \$	(69,355)
Capitalization of Atlantic Wine Agencies, Inc. accumulated deficit			(69,356)	69,356
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 consul- tants @ \$0.035 per share	4,000,000	40	139,960	(140,000)
Transfer of 39,960,000 shares by controlling shareholder to employ- ees. See Note G to Financial State- ments			999,000	
Net loss for the one month ended March 31, 2004				(1,021,320)
Balance, March 31, 2004	104,063,027	1,041	3,861,839	(1,161,320)
Cancellation of shares	(20,000,000)	200		
Issuance of common stock for contract settlement @ \$0.50 per share	500,000	5	249,995	
Issuance of common stock in connection with employment contract @ \$0.50 per share	135,000	1	67,499	
Issuance of common stock in connection with vineyard contract	140,000	2	69,998	
Net loss for the year ended March 31, 2005				(1,651,240)
Balance, March 31, 2005	84,838,027	\$ 849	\$ 4,249,531	\$ (2,812,560)

See accompanying notes to financial statements.

F-4

Atlantic Wine Agencies, Inc.
and Subsidiaries

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

Consolidated Statements of Cash Flows

	For the Year Ended March 31, 2005 -----
Cash Flows From Operating Activities	
Net loss	\$(1,651,244)
Adjustments to reconcile net loss to cash flows used in operating activities:	
Stock based compensation	387,500
Depreciation and amortization	52,504
Increase in accounts receivable	(21,204)
Increase in inventory	(1,316,399)
Receivable from officer	(48,761)
Increase in prepaid expenses and other	(43,960)
Increase in accrued payroll taxes	65,181
Increase in accounts payable	99,613
Increase in accrued expenses	99,075

Net Cash Flows Used in Operating Activities	(2,377,695)

Cash Flows From Investing Activities	
Cash paid for property and equipment	(330,850)
Cash paid for trademarks	

Net Cash Flows Used in Operating Activities	(330,850)

Cash Flows From Financing Activities	
Loan from principal stockholder	2,566,287
Loan from Dominion Estates Pty Ltd	344,381
Capital contributions	

Cash Flows Provided by Financing Activities	2,910,668

Effect of Exchange Rate Changes on Cash	(217,722)

(Decrease) increase in cash	(15,599)
Cash, Beginning of Period	113,086

Cash, End of Period	\$ 97,487
	=====
Supplemental Cash Flow Information:	
Cash Paid for Interest	\$ 4,808
	=====

See accompanying notes to financial statements.

F-5

Atlantic Wine Agencies, Inc.
and Subsidiaries

Notes to Consolidated Financial Statements
March 31, 2005

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Atlantic Wine Agencies, Inc., formerly New England Acquisitions, Inc., (the Company), was organized under the laws of the State of Florida. On May 4, 2005, the Company acquired New Heights 560 Holdings, LLC, (New Heights) a Cayman Island Limited Liability Company which owns two subsidiaries in South Africa and has a world class vineyard producing high quality wines to be marketed principally in Europe. New Heights had no operations prior to March 1, 2005.

Reverse Merger

On May 4, 2004, the stockholders of New Heights 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 controlled 99% of the outstanding common stock of the Company. In this connection, New Heights became a wholly owned subsidiary of Atlantic Wine Agencies, Inc. and its officers and directors replaced New Heights' officers and directors. 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 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.

Going Concern

As indicated in the accompanying financial statements, the Company has incurred cumulative net operating losses of \$2,812,566 since inception. 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

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

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.

Foreign Currency Translation

Assets and liabilities were translated into US dollars at the period-end exchange rates. Statement of operations amounts were translated using the average rate during the period. Gains and losses resulting from translating foreign

F-6

Atlantic Wine Agencies, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)
March 31, 2005

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign Currency Translation (Continued)

currency financial statements were accumulated in other comprehensive income, a separate component of stockholders' equity.

Cash Equivalents

For purposes of reporting cash flows, cash equivalents include investment instruments purchased with a maturity of three months or less.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment and Depreciation

Property and equipment is stated at cost and is depreciated using the straight line method over the estimated useful lives of the respective assets. Routine maintenance, repairs and replacement costs are expensed as incurred and improvements that extend the useful life of the assets are capitalized. Costs incurred in developing vineyards, including related interest costs, are capitalized until the vineyards become commercially productive. When property and equipment is sold or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized in operations. The Company computes depreciation using the straight line method. Leasehold improvements are analyzed over the estimated useful lives

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

of the improvements.

Inventory

Inventory is valued at the lower of cost or market based on the average cost method.

Revenue Recognition

Revenue from the sale of goods is recognized when the product is shipped.

Consolidated Financial Statements

The consolidated financial statements include the Company and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

F-7

Atlantic Wine Agencies, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)
March 31, 2005

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comprehensive Income (Loss)

SFAS No. 130 establishes standards for the reporting and disclosure of comprehensive income and its components which will be presented in association with a company's financial statements. Comprehensive income is defined as the change in a business enterprise's equity during a period arising from transactions, events or circumstances relating to non-owner sources, such as foreign currency translation adjustments and unrealized gains or losses on available-for-sale securities. It includes all changes in equity during a period except those resulting from investments by or distributions to owners. Comprehensive income is accumulated in accumulated other comprehensive income (loss), a separate component of stockholders' equity.

Business Combinations and Goodwill

In July 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, "Business Combinations". SFAS No. 141 requires the purchase method of accounting for business combinations initiated after June 30, 2001 and eliminates the pooling-of-interests method.

In July 2001, the FASB issued SFAS NO. 142, "Goodwill and Other Intangible Assets", which the Company adopted during 2003. SFAS No. 142 requires, among other things, the discontinuance of goodwill amortization. In addition, the standard includes provisions for the reclassification of certain existing recognized intangibles as goodwill, reassessment of the useful lives of existing recognized intangibles, reclassification of certain intangibles out of previously reported goodwill and the identification of reporting

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

units for purposes of assessing potential future impairment of goodwill.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS No. 144 changes the accounting for long-lived assets to be held and used by eliminating the requirement to allocate goodwill to long-lived assets to be tested for impairment, by providing a probability weighted cash flow estimation approach to deal with situations in which alternative courses of action to recover the carrying amount of possible future cash flows and by establishing a primary-asset approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for long-lived assets to be held and used. SFAS No. 144 changes the accounting for long-lived assets to be disposed of other than by sale by requiring that the depreciable life of a long-lived asset to be abandoned be revised to reflect a shortened useful life and by requiring the impairment loss to be recognized at the date a long-lived asset is exchanged for a similar productive asset or distributed to owners in a spin-off if the carrying amount of the asset exceeds its fair value. SFAS No 144 changes the accounting for long-lived assets to be disposed of by sale by requiring that discontinued operations no longer be recognized at a net realizable value basis (but at the lower of carrying amount or fair value less costs to sell), by eliminating the recognition of future operating losses of discontinued components before they occur, and by broadening the presentation of discontinued operations in the income statement to include a component of an entity rather than a segment of a business. A component of an entity comprises operations and cash flows that can be clearly distinguished operationally, and for financial reporting purposes, from the rest of the entity.

F-8

Atlantic Wine Agencies, Inc.
and Subsidiaries

Notes to Consolidated Financial Statements (Continued)
March 31, 2005

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Loss Per Common Share

The Company computes per share amounts in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share". SFAS No. 128 requires presentation of basic and diluted EPS. Basic EPS is computed by dividing the income (loss) available to Common Stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS is based on the weighted-average number of shares of Common Stock and Common Stock equivalents outstanding during the periods.

Stock-Based Compensation

SFAS No. 123, "Accounting for Stock-Based Compensation" prescribes accounting and reporting standards for all stock-based compensation plans, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights. SFAS No. 123

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

requires employee compensation expense to be recorded (1) using the fair value method or (2) using the intrinsic value method as prescribed by accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB25") and related interpretations with pro forma disclosure of what net income and earnings per share would have been had the Company adopted the fair value method. The Company accounts for employee stock based compensation in accordance with the provisions of APB 25.

Income Taxes

The Company has adopted Financial Accounting Statement SFAS No. 109, Accounting for Income Taxes. Under this method, the Company recognizes a deferred tax liability or asset for temporary differences between the tax basis of an asset or liability and the related amount reported on the financial statements. The principal types of differences, which are measured at the current tax rates, are net operating loss carry forwards. At March 31, 2005, these differences resulted in a deferred tax asset of approximately \$660,000. SFAS No. 109 requires the establishment of a valuation allowance to reflect the likelihood of realization of deferred tax assets. Since realization is not assured, the Company has recorded a valuation allowance for the entire deferred tax asset, and the accompanying financial statements do not reflect any net asset for deferred taxes at March 31, 2005.

The Company's net operating loss carry forwards amounted to \$2,206,000 which are principally international losses which have no expiration date.

NOTE B RECEIVABLE FROM OFFICER

At March 31, 2005, the Company had advanced \$48,761 to the president which was repaid in July 2005.

NOTE C INVENTORY

Inventory consists of the following at March 31,

	2005	2004	
	----	----	
Raw Materials	\$ 132,879		
Work in process	764,759	\$ 152,270	
Bottled wine	645,819	74,788	
	-----	-----	
	\$1,543,457	\$ 227,058	
	=====	=====	

F-9

Atlantic Wine Agencies, Inc.
and Subsidiaries

Notes to Consolidated Financial Statements (Continued)
March 31, 2005

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

NOTE D PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2005 is as follows:

	2005	2004	Useful Life
	-----	-----	-----
Land and buildings	\$2,303,542	\$2,129,392	5 years
Vineyards	208,220	302,161	40 years
Furniture, fixtures and equipment	287,487	39,587	3 to 10 years
	-----	-----	
	2,799,249	2,471,140	
Less: accumulated depreciation	41,249	1,311	
	-----	-----	
	\$2,758,000	\$2,469,829	
	=====	=====	

NOTE E LOAN FROM PRINCIPAL STOCKHOLDER

At March 31, 2005, the principal stockholder advanced the company, \$2,721,269 for working capital. The loan is non- interest bearing and has no stated maturity date.

NOTE F STOCKHOLDERS' EQUITY

On February 14, 2005, the Company entered into a consulting agreement with Benjamin Mauerberger, whose brother Adam Mauerberger, the President of the Company, is deemed to be a related party, to locate a merger partner and consult on all aspects of the merger, to advise the Company on hiring of senior management personnel and to develop growth initiatives for the Company. Compensation for this agreement was the issuance of 4,000,000 shares of the company's common stock valued at \$0.035 per share. On May 27, 2005, the Company filed a registration statement with the Securities and Exchange Commission to register these shares on Form S-8. Accordingly, stock based compensation in the amount of \$140,000 was recognized during the year ended March 31, 2004.

In connection with the acquisition of Dominion Wines Pty, Ltd See Note H to the financial statements, 500,000 shares of the Company's common stock were issued and will not be returned. Accordingly, stock based compensation has been recorded in the amount of \$250,000.

In connection with employment contracts, the Company issued 135,000 shares of its common stock valued at \$0.50 per share. Accordingly, stock based compensation in the amount of \$67,500 has been recorded.

In connection with a vineyard contract, the Company issued 140,000 shares of its common stock valued at \$0.50 per share. Accordingly, stock based compensation in the amount of \$70,000 has been recorded.

NOTE G EMPLOYMENT CONTRACTS

The Company has executed 5 year employment contracts with key employees with annual salary commitments ranging from \$184,000 in the first year with annual escalation increasing salary commitments

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

to \$274,000 in year five. In addition, the controlling stockholders gave 24,960,000 shares from their holdings to one employee and 15,000,000 shares to another. Accordingly, stock based compensation in the amount of \$999,000 based upon a per share valuation of \$0.025 per share, was recorded in the financial statements.

F-10

Atlantic Wine Agencies, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)
March 31, 2005

NOTE H TRANSACTIONS WITH DOMINION WINES PTY, LTD AND DOMINION ESTATES PTY, LTD

On September 14, 2004, the Company entered into an agreement to acquire two Australian companies - Dominion Wines, Pty Ltd and Dominion Estates, Pty Ltd (hereafter referred to as "Dominion"). The terms of the agreement were as follows: (1) the issuance of 20,000,000 shares of the Company's common stock, (2) retire the National Australian Bank loan in the amount of \$2,508,962 (Aus \$3,136,202) (3) arrange for an additional investment of \$179,037 (Aus \$223,797) and (4) assume the Commonwealth Bank of Australia loan in the amount of \$3,265,109 (Aus \$4,081,387).

Subsequent to December 31, 2004, the Company determined that such acquisition was not in its best interest and agreed with Dominion to unwind the transaction. During this period, Dominion borrowed approximately \$3,000,000 from General Electric Credit Australia to replace the Commonwealth Bank of Australia loan and lent \$344,381 to a subsidiary of the Company.

The agreement to unwind the acquisition requires (1) the return of the 20,000,000 shares of Company common stock which is currently held in escrow, (2) the signing of a novation agreement to forgive the \$344,381 note payable by the company's Subsidiary to Dominion, and (3) the issuance of a note to the Company's principal shareholder in the amount of \$2,560,000 (Aus \$3,200,000) for the retirement of the National Australian Bank loan.

At the date of this report, the transaction has been agreed to by the shareholders and management of each company, and is awaiting the securitization of property as collateral for the note agreement to the Company's principal shareholder. Management believes that the transaction will be successfully unwound and accordingly, the assets, liabilities and results of operations for the year ended March 31, 2005 of Dominion have not been included in these consolidated financial statements.

F-11

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

For the fiscal year ended March 31, 2005, our accountants were Meyler & Company, LLC, independent certified public accountants. At no time has there been any disagreement with either such accountants regarding any matter of accounting principals or practices, financial statement disclosure, or auditing scope or procedure.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

OFFICERS AND DIRECTORS

Messrs. Adam Mauerberger and Andrew Bayley are the directors of the Company. The Company's directors are elected at each Annual Meeting of Shareholders. The directors currently serving on the Company's Board and the executive officers are set forth in the table below:

Name -----	Age -----	Positions and Offices With -----
Adam Mauerberger	35	Chairman; Chief Executive President; Chief Financial
Andrew Bayley	36	Director; Senior Vice Pres
Christopher Burr	55	Executive Consultant to At

No director holds any directorship in a company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or subject to the requirements of Section 15(d) of such Act. No director holds any directorship in a company registered as an investment company under the Investment Company Act of 1940.

As the Board of Directors only has one director and the Company one employee, no Audit or Strategy Committee has been established. The Company does not have a standing nominating committee or any committee performing a similar function. For the above reasons, the Company has not adopted a code of ethics.

On March 18, 2005, Mr. Harry Chauhan resigned as a member of the Board of Directors and in the capacity of Chief Financial Officer for personal reasons and to pursue other business interests.

On March 22, 2005, Mr. Carl Voss resigned as a member of the Company's Board of Directors citing his disagreement with the current policies, procedures and direction of the Company. The Company disputed Mr. Voss' allegations and is presently undergoing an investigation into the conduct of the management of the Dominion Entities.

The following is a biographical summary of the directors and officers of the Company:

Adam Mauerberger

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

On March 1, 2004, the Company's wholly-owned subsidiary, Atlantic Wine Agencies Limited, contract with Mr. Adam Mauerberger as its CEO and acting sales and marketing manager director. On July 26, 2004, Mr. Mauerberger was elected to the Company's board of directors and he assumed the title of President of the Company at that time. Upon Mr. Harry Chauhan's resignation, Mr. Mauerberger assumed the title of Chief Financial Officer as well.

Adam was responsible for the development and management of Zachys Wine Merchants Limited, an exclusive premium wine dealer based in London. He also managed the launch and management of the Mayfair fine wine format for Majestic Wines Limited. He was responsible for driving the development of several prestige agency brands including Bollinger, Rustenburg and Southcorp brands. Adam was also key in the development of premium wine agencies for London and the South East under BRL Hardy and Constellation Wines.

Andrew Bayley

On October 26, 2004, the Company's shareholder's elected Mr. Bayley to the Company's board of directors. Also, on that date, Mr. Bayley was appointed as the Company's Senior Vice President of Sales and Marketing.

Andy joins the Company from Les Grands Chais de France where he was the Business Manager, responsible for the development of GCF UK business and brands within the UK Off Trade sector for major accounts including Booker, Majestic Wine, Sainsburys and Waitrose.

Prior to Les Grands Chais de France, Andy worked for Seagram UK covering the complete wine and spirit portfolio for key national wholesale accounts. His wine 'apprenticeship' was at Majestic Wine, where he was responsible for their successful new store opening in Mayfair.

While working as Business manager for Les Grands Chais de France he was instrumental in increasing JP Chenet (the company's major wine brand) to almost 10 million bottles in less than three years. He also created and implemented key strategy in the wholesale sector resulting in a significant increase in sales of the 25cl single serve format.

In addition Andy also brings to the Company extensive firsthand experience from the wine regions in France, Italy, Spain and California.

Christopher Burr

On February 15, 2004, the Company's wholly owned subsidiary, Atlantic Wine Agencies Limited, contracted with Mr. Christopher Burr, a leading international figure in the industry. Mr. Burr has worked in a number of senior positions as European Director of Bass Brewers, then Managing Director of two fine wine shipping businesses. Christopher reached the pinnacle of the industry, when he was appointed as International Head of Wine at Christies, the traditional auction house, overseeing sales in London, New York, Los Angeles, Tokyo and other worldwide sales centres.

Whilst rising to the top of his profession, Christopher became a Master of Wine, won the Villa Maria prize for his papers on viticulture had his opinions on wine and the industry published regularly around the world and has hosted some of the world's most prestigious tastings.

COMPLIANCE WITH SECTION 16(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

Not applicable.

ITEM 10. EXECUTIVE COMPENSATION

The table below sets forth all annual and long-term compensation paid by the Company through the latest practicable date to the Chief Executive Officer of the Company and to all executive officers of the Company who received total annual salary and bonus in excess of \$100,000 for services rendered in all capacities to the Company and its subsidiaries during the fiscal year ended March 31, 2005.

The following table sets forth information concerning all remuneration paid by the Company as of March 31, 2005 to the Company's Directors and Executive Officers. All of the following dollar denominations are adjusted from United Kingdom Pounds at a rate of 1.77 USD per Pound.

Summary Compensation Table

Name and Principal Position -----	Year ----	Long-Term Compensation Awards -----		Securities Underlying Option (# /SARS -----
		Salary -----	Bonus -----	
Adam Mauerberger - CEO, President and CFO	2003	95,580*	0	0
	2004	95,580		
Andy Bayley - Sr. V.P. of Sales and Marketing	2004	88,500**		
Christopher Burr - Consultant to subsidiary		4,049****		
	2003	24,049	0	0
	2004	24,049	0	0

* Mr. Mauerberger's contract is for a period of 5 years with an annual salary of \$95,580 in year one (fiscal 2003) and escalating to \$168,073 in year five (fiscal 2007). In addition to his annual salary, Mr. Mauerberger has the right to receive \$2,200 in additional benefits and reimbursement of approved expenses up to a maximum of \$14,720 per month. The employment agreement may be terminated for "cause".

**Mr. Bayley's contract is for a period of 5 years with an annual salary of \$88,500 in year one (fiscal 2004) and escalating to \$106,200 in year five (fiscal 2008). In addition to his annual salary, Mr. Bayley received 100,000 shares of the Company's common stock and has the right to receive \$50,000 of stock each year for the remaining 4 years as well as an automobile leased by the Company. The employment agreement may be terminated for "cause".

***Mr. Burr's contract is for a renewable one year term with an annual salary of approximately \$50,000. He also has been granted an option to purchase the Company's products at terms to be mutually agreed upon at the time Mr. Burr

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

exercises such right.

Directors' Compensation

During the fiscal year ended March 31, 2005 no fees were paid to our Directors.

Employment Contracts

See footnote to the compensation table immediately above for the material terms of our officers employment/consulting agreements with the Company.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners

The following table sets forth information regarding the beneficial ownership of the shares of the Common Stock (the only class of shares previously issued by the Company) at August 16, 2005, by (i) each person known by the Company to be the beneficial owner of more than five percent (5%) of the Company's outstanding shares of Common Stock, (ii) each director of the Company, (iii) the executive officers of the Company, and (iv) by all directors and executive officers of the Company as a group. Each person named in the table, has sole voting and investment power with respect to all shares shown as beneficially owned by such person and can be contacted at the address of the Company.

Title of Class -----	Name of Beneficial Owner -----	Shares of Common Stock -----	Perce -----
Common	Willowcreek International Ltd Goodman's Bay Corporation Ctr West Bay Street Nassau, Bahamas	20,000,000	2
Common	Adam Mauerberger (1)	19,960,000	2
Common	Crayson Properties Ltd Akara Bldg 24 De Castro Street Wickams Cay, Road Town Tortola, BVI	9,332,824	1
Common	Andy Bayley	100,000	
Directors and Officers as a group		20,060,000	2

(1)Mr. Mauerberger is the sole shareholder of Fairhurst Properties S A. Akara Bldg 24 De Castro Street Wickams Cay, Road Town, Tortola BVI.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company's CEO Adam Mauerberger is brother to Benjamin Mauerberger, a

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

consultant to the Company. However, they do not reside at the same address and do not have any agreement between them regarding the respective shares controlled by them.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

Exhibit Number Exhibit Description

21.1 Subsidiaries of the Company
23.1 Consent of Independent Certified Public Accountant
31.1 Section 302 Certification
32.1 Section 906 Certification

(b) Reports on Form 8-K.

On January 21, 2005 the Company filed an amended Form 8-K with the Securities and Exchange Commission with respect to its merger with New Heights 560 Holdings LLC.

On March 21, 2005 the Company filed an 8-K disclosing that Harry Chauhan had resigned as a member of the Board of Directors and in the capacity of Chief Financial Officer of Atlantic Wine Agencies, Inc. The Company and Mr. Chauhan mutually agreed that Mr. Chauhan should resign for personal reasons and to pursue other business interests.

On March 23, 2005 the Company filed an 8-K disclosing that Carl Voss resigned as a member of the Board of Directors of the Company. Mr. Voss cited his disagreement with the current policies of the Board of Directors, procedures and direction of the Company as his reasons for his resignation. The Company strenuously disputed each and every allegation of Mr. Voss as set forth in his letter of resignation and it retained local Australian counsel and accountants to investigate the conduct of the management of its Australian subsidiaries

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

For the Company's fiscal year ended March 31, 2005, the estimated cost for professional services rendered for the audit of our financial statements and the review of the Form 10-KSB is approximately \$15,000 to \$20,000. We were billed approximately \$15,000 for professional services rendered for the review of financial statements included in our periodic and other reports filed with the Securities and Exchange Commission for our year ended March 31, 2004.

Tax Fees

For the Company's fiscal year ended March 31, 2005, the estimated cost for professional services rendered for tax compliance, tax advice, and tax planning is approximately \$3,500.

All Other Fees

Edgar Filing: ATLANTIC WINE AGENCIES INC - Form 10KSB

The Company incurred fees equal to approximately: (i) \$20,000 related to travel expenses and audit services with the Dominion Entities the fiscal year ended March 31, 2005; (ii) \$13,500 for the audit related to the merger of the Company with New Heights 560 Holdings, LLC and (iii) \$15,000 for the three quarterly reports on Form 10-QSB.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant has duly 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: Chairman of the Board, Chief Executive Officer,
President, Chief Financial Officer and Secretary

Date: August 16, 2005

/s/ Andrew Bayley

Name: Andrew Bayley

Title: Director, Senior Vice President of Sales and Marketing

Date: August 16, 2005