

WWA GROUP INC
Form 10-Q
November 15, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **September 30, 2010**.

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission file number: **000-26927**

WWA GROUP, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

77-0443643

(I.R.S. Employer
Identification No.)

2465 W. 12th St. Suite 2, Tempe, Arizona 85281-6935

(Address of principal executive offices) (Zip Code)

(480) 505-0070

(Registrant's telephone number, including area code)

n/a

(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant: (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 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 of Regulation S-T (§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 filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company as defined by Rule 12b-2 of the Exchange Act:

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. The number of shares outstanding of the issuer's common stock, \$0.001 par value (the only class of voting stock), at November 15, 2010, was 22,591,922.

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

As used herein, the terms WWA Group , we, our, and us refer to WWA Group, Inc., a Nevada corporation, unless otherwise indicated. In the opinion of management, the accompanying unaudited financial statements included in this Form 10-Q reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

WWA GROUP, INC.
Consolidated Balance Sheets

<u>Assets</u>	Unaudited Sept. 30, 2009	Audited December 31, 2009
Current assets:		
Cash	\$ 2,569,304	\$ 8,636,411
Receivables, net	8,742,223	4,464,014
Advances to suppliers	2,195,847	1,752,852
Inventories	3,032,435	3,543,485
Prepaid expenses	569,893	570,525
Notes receivable	4,181,227	3,989,855
Other current assets	548,976	339,210
Total current assets	21,839,905	23,296,352
Property and equipment, net	5,455,081	5,037,041
Vessel Aqua Conti CWIP	1,389,527	1,372,491
Investment in unconsolidated entity	1,219,219	1,491,866
Investment in related party entity	31,250	31,250
Other assets	333,808	534,093
Total assets	\$ 30,268,790	\$ 31,763,093
 <u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Auction proceeds payable	566,126	8,068,708
Accounts payable	8,607,228	1,915,541
Accrued expenses	410,350	463,581
Line of credit	8,723,649	1,0662,448
Short term debt notes payable	4,317,369	3,669,178
Current maturities of long-term debt	616,909	275,607
Total current liabilities	23,241,631	25,055,063
Long-term debt	2,437,637	726,788
Total liabilities	25,679,268	25,781,851
Stockholders' equity:		
Common stock, \$0.001 par value, 50,000,000 shares authorized; 22,591,922 shares issued and outstanding	22,592	22,592
Additional paid-in capital	4,449,080	4,449,080
Retained earnings	117,850	1,509,570
Total stockholders' equity:	4,589,522	5,981,242

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Total liabilities and stockholders equity	\$ 30,268,790	\$ 31,763,093
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See accompanying condensed notes to consolidated reviewed financial statements.

WWA GROUP, INC.
Consolidated Statements of Income

	Three months ended Sept. 30		Nine months ended Sept. 30	
	2010	2009	2010	2009
	Unaudited	Unaudited	Unaudited	Unaudited
Revenues from commissions and services	\$ 295,727	\$ 264,056	\$ 2,877,683	\$ 4,537,260
Revenues from sales of equipment	9,868,329	7,715,741	23,678,737	18,017,352
Revenues from Ship Charter	165,000	165,000	495,000	465,000
Total revenues	10,329,056	8,144,798	27,051,420	23,019,611
Direct costs - commissions and services	197,590	565,057	1,054,634	1,787,645
Direct costs - sales of equipment	8,895,405	8,586,040	22,862,646	18,867,298
Gross profit (loss)	1,236,061	(1,006,300)	3,134,140	2,364,669
Operating expenses:				
General and administrative expenses	424,698	916,384	1,657,566	2,427,856
Salaries and wages	305,114	375,910	1,121,349	1,162,634
Selling expenses	18,931	141,994	51,751	212,546
Depreciation and amortization expense	226,273	177,893	656,671	595,579
Total operating expenses	975,016	1,612,181	3,487,337	4,398,614
Income (loss) from operations	261,245	(2,618,481)	(353,197)	(2,033,945)
Other income (expense):				
Interest expense	(445,680)	(329,321)	(1,172,020)	(724,944)
Interest income	24,095	37,957	77,118	113,564