

SEAWRIGHT HOLDINGS INC
Form 10QSB
August 20, 2007

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED
June 30, 2007

OR

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: 333-56848

SEAWRIGHT HOLDINGS, INC
(Exact name of Company as specified in its charter)

Delaware 54-1965220
(State or (I.R.S.
jurisdiction of Employer or
incorporation)
organization Identification
No.)

600 Cameron Street, Alexandria, VA 22314
(Address of principal executive offices) (Zip Code)

Company's telephone number: (703) 340-1629

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common
Stock, \$0.001 Par Value

Indicate by check mark whether the Company (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) been subject to such filing requirements for the past 90 days. Yes No

Indicate the number of shares outstanding of each of the issuer's class of common stock. The Registrant had 13,792,896 shares of its common stock outstanding as of August 20, 2007.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

Index to Financial Statements

Condensed Consolidated Balance Sheet at June 30, 2007 (unaudited)

Condensed Consolidated Statement of Operations

For The Three and Six Months Ended June 30, 2007 and 2006

And For The Period From October 14, 1999 (Date Of Inception) Through June 30, 2007 (unaudited)

Condensed Consolidated Statements Of (Deficiency In) Stockholders' Equity

For The Period From October 14, 1999 (Date Of Inception) Through June 30, 2007 (unaudited)

Condensed Consolidated Statements of Cash Flows

For Six Months Ended June 30, 2007 and 2006

And For The Period From October 14, 1999 (Date Of Inception) Through June 30, 2007 (unaudited)

Notes to Unaudited Condensed Consolidated Financial Information

June 30, 2007

SEAWRIGHT HOLDINGS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEET
(UNAUDITED)

	June 30, 2007 (Unaudited)
ASSETS	
Current assets:	
Cash and cash equivalent	\$ 475
Marketable securities (Note B)	22,505
Financing costs, net – current portion	19,116
Deposits	65,300
Total current assets	107,396
Property and equipment:	
Land	1,965,000
Equipment	32,167
Building	100,800
Building improvement	102,906
	2,200,873
Less: accumulated depreciation	(7,131)
Total property and equipment	2,193,742
Other assets:	
Financing costs, net – less current portion	4,977
Intangible asset, net	23,437
Total other assets	28,414
Total assets	\$ 2,329,552
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Cash disbursed in excess of available funds	\$ 1,680
Accounts payable and accrued liabilities	170,909
Due to related party (Note G)	156,158
Notes payable – current portion (Note C)	1,010,450
Total current liabilities	1,339,197
Convertible notes payable, net of debt discount (Note D)	32,436
Notes payable – less current portion (Note C)	518,786
Other long-term liabilities	36,107
Total liabilities	1,926,526
STOCKHOLDERS' EQUITY	
STOCKHOLDERS' EQUITY	
Preferred stock, par value \$.001 per share; 100,000 shares authorized: (Note E)	
Series A Convertible Preferred stock, par value \$.001 per share; 60,000 shares authorized; none issued and outstanding at June 30, 2007	-
	13,280

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Common stock, par value \$.001 per share; 19,900,000 shares authorized; 13,279,610 shares issued and outstanding at June 30, 2007 (Note E)

Additional paid-in-capital	6,314,749
Preferred stock dividend	(25,000)
Accumulated deficit	(5,900,003)
Stockholders' equity	403,026
Total liabilities and stockholders' equity	\$ 2,329,552

See accompanying notes to unaudited condensed consolidated financial information

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SEAWRIGHT HOLDINGS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the three months ended June 30,		For the six months ended June 30,		For the period from October 14, 1999 (Date of Inception) Through June 30, 2007
	2007	2006	2007	2006	2007
Revenue, net	\$ 1,775	\$ 1,010	\$ 2,084	\$ 1,600	\$ 7,912
Gross profit	1,775	1,010	2,084	1,600	7,912
Costs and expenses:					
Selling, general and administrative	365,188	332,295	546,419	559,847	4,420,211
(Gain) loss on trading securities (Note B)	(456)	731	248	531	(37,108)
Amortization and financing fees	456,223	-	544,051	-	544,051
Marketing expenses	153,392	-	295,812	-	295,812
Depreciation expenses	703	658	1,406	1,316	18,851
Total operating expense	975,050	333,684	1,387,936	561,694	5,241,817
Loss from operations	(973,275)	(332,674)	(1,385,852)	(560,094)	(5,233,905)
Other income (expenses):					
Other income	-	-	-	-	61,969
Gain/(Loss) on early extinguishment of debt	(79,970)	-	(79,970)	-	727,133
Interest expense, net	(386,595)	(90,755)	(634,610)	(170,130)	(1,472,101)
	(466,565)	(90,755)	(714,580)	(170,130)	(682,999)
Loss from continuing operations before income taxes and discontinued operations	(1,439,840)	(423,429)	(2,100,432)	(730,224)	(5,916,904)
Provision for income tax	-	-	-	-	-
Loss from continuing operations before discontinued operations	(1,439,840)	(423,429)	(2,100,432)	(730,224)	(5,916,904)
Income from discontinued operations	-	-	-	-	16,901
Net loss	\$ (1,439,840)	\$ (423,429)	\$ (2,100,432)	\$ (730,224)	\$ (5,900,003)
Preferred stock dividend	-	-	-	-	(25,000)
Net loss attributable to common shareholders	\$ (1,439,840)	\$ (423,429)	\$ (2,100,432)	\$ (730,224)	\$ (5,925,003)
	\$ (0.12)	\$ (0.05)	\$ (0.20)	\$ (0.08)	

Losses per common share (basic and
assuming dilution)

Weighted average common shares outstanding	11,664,075	9,008,809	10,427,284	8,942,143
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See accompanying notes to unaudited condensed consolidated financial information

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SEAWRIGHT HOLDINGS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF (DEFICIENCY IN) STOCKHOLDERS' EQUITY
FOR THE PERIOD OCTOBER 14, 1999 (DATE OF INCEPTION) TO JUNE 30, 2007
(Unaudited)

	Preferred Preferred Shares	Preferred Stock Amount	Common Shares	Common Stock Amount	Additional Paid-in Capital	Common Stock Subscribed	Preferred Stock Dividend	Deficit Accumulated During Development Stage	Total
Net loss	-	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ (1,291)	\$ (1,291)
Balance at December 31, 1999	-	-	-	-	-	-	-	(1,291)	(1,291)
Common stock issued on September 30, 2000 in exchange for convertible debt at \$.50 per share	-	-	78,000	78	38,922	-	-	-	39,000
Common stock issued on November 27, 2000 in exchange for convertible debt at \$.50 per share	-	-	26,000	26	12,974	-	-	-	13,000
Net loss	-	-	-	-	-	-	-	(157,734)	(157,734)
Balance at December 31, 2000	-	-	104,000	104	51,896	-	-	(159,025)	(107,025)
Common stock issued on January 1, 2001 in exchange for convertible debt at \$.50 per share	-	-	174,000	174	86,826	-	-	-	87,000
Common stock issued on January 2, 2001 to founders in exchange for services rendered at \$.001 per share	-	-	5,000,000	5,000	20	-	-	-	5,020
Common stock issued on January 2, 2001 in exchange for services rendered at \$.50 per share	-	-	90,000	90	44,910	-	-	-	45,000
Net loss	-	-	-	-	-	-	-	-	-