

ENERGROUP HOLDINGS CORP
Form 10-Q
May 17, 2010

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2010.

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 0-28806

ENERGROUP HOLDINGS CORPORATION
(Exact name of registrant as specified in its charter)

Nevada
(State or Other Jurisdiction of
Incorporation or Organization)

87-0420774
(I.R.S. Employer
Identification No.)

No. 9, Xin Yi Street, Ganjingzi District
Dalian City, Liaoning Province, PRC, 116039
(Address of Principal Executive Offices including zip code)

+86 411 867 166 96
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 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 if the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller reporting company

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(Do not check if a
smaller reporting
company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act).

Yes No

As of May 14, 2010, 21,136,391 shares of the issuer's common stock, par value \$0.001, were outstanding.

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PART I

FINANCIAL INFORMATION

ITEM 1

FINANCIAL STATEMENTS

Energroupholdings Corporation

Reviewed Consolidated Financial Statements

March 31, 2010 and December 31, 2009

(Stated in US Dollars)

Energroupholdings Corporation

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Board of Directors and Stockholders
Energroup Holdings Corporation

Report of Registered Independent Public Accounting Firm

We have reviewed the accompanying consolidated interim balance sheets of Energroup Holdings Corporation as of March 31, 2010 and December 31, 2009, and the related consolidated statements of income, stockholders' equity, and cash flows for the three-month periods ended March 31, 2010 and 2009. These consolidated interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

South San Francisco, California
May 9, 2010

Samuel H. Wong & Co., LLP
Certified Public Accountants

Energroup Holdings Corporation
Consolidated Balance Sheets
As of March 31, 2010 and December 31, 2009
(Stated in US Dollars)

	Notes	At March 31, 2010	At December 31, 2009
ASSETS			
Current Assets			
Cash	2(D)	\$ 12,637,572	\$ 41,984,101
Restricted Cash	3	13,879,340	2,176,224
Accounts Receivable	2(E),4	23,804,756	39,876,187
Other Receivable		376,481	591,025
Related Party Receivable	5	-	-
Inventory	2(F),6	3,782,416	3,683,989
Advance to Suppliers	2(G),7	63,142,510	844,964
Prepaid Expenses		959,228	30,103
Prepaid Taxes		631	231,568
Deferred Tax Asset	2(Q)	468,998	468,922
Total Current Assets		119,051,932	89,887,082
Non-Current Assets			
Property, Plant & Equipment, net	2(H),8	23,287,915	23,727,484
Land Use Rights, net	2(I),9	13,105,600	13,175,559
Construction in Progress	2(J)	6,703,935	6,692,837
Total Assets		\$ 162,149,382	\$ 133,482,962
LIABILITIES & STOCKHOLDERS' EQUITY			
Current Liabilities			
Bank Loans	10(A)	\$ 30,572,988	\$ 15,942,197
Notes Payable	11	11,702,579	7,312,935
Accounts Payable		4,058,650	3,272,626
Taxes Payable		8,632,779	6,987,848
Other Payable		1,957,800	2,096,958
Accrued Liabilities		1,900,222	1,922,103
Customer Deposits	2(L)	2,896,615	2,416,615
Related Party Payable	5	2,675,626	2,307,429
Total Current Liabilities		64,397,263	42,258,711
Long Term Liabilities			
Bank Loans	10(B)	-	-
Total Liabilities		\$ 64,397,263	\$ 42,258,711

See Notes to Financial Statements and Accountant's Report

Energroup Holdings Corporation
Consolidated Balance Sheets
As of March 31, 2010 and December 31, 2009
(Stated in US Dollars)

	Notes	At March 31, 2010	At December 31, 2009
Stockholders' Equity			
Preferred Stock - \$0.001 Par Value 10,000,000 Shares Authorized; 0 Shares Issued & Outstanding at March 31, 2010 and December 31, 2009.		\$ -	\$ -
Common Stock - \$0.001 Par Value 21,739,130 Shares Authorized; 21,136,392 Shares Issued & Outstanding at March 31, 2010 and December 31, 2009.	11	21,137	21,137
Additional Paid in Capital		42,530,331	42,530,331
Statutory Reserve	2(M),13	2,077,488	2,077,488
Retained Earnings		47,843,505	41,329,899
Accumulated Other Comprehensive Income	2(N)	5,279,658	5,265,396
Total Stockholders' Equity		97,752,119	91,224,251
Total Liabilities & Stockholders' Equity		\$ 162,149,382	\$ 133,482,962

See Notes to Financial Statements and Accountant's Report

Energroup Holdings Corporation
Consolidated Statements of Operations
For the three-month periods ended March 31, 2010 and 2009
(Stated in US Dollars)

	Note	For three Months ended March 31, 2010	For three Months ended March 31, 2009
Sales	2(O),22	\$ 55,510,121	\$ 40,893,923
Cost of Sales	2(P)	47,212,872	35,169,469
Gross Profit		8,297,249	5,724,454
Operating Expenses			
Selling Expenses	2(Q)	341,016	864,959
General & Administrative Expenses	2(R)	576,370	559,113
Total Operating Expense		917,386	1,424,072
Operating Income/(Loss)		7,379,863	4,300,382
Other Income (Expenses)			
Other Income		9,482	44,606
Interest Income		2,229	113,235
Other Expenses		(8,323)	(46,623)
Interest Expense		(417,898)	(217,219)
Release of Escrowed Make Good Shares		-	(3,502,152)
Total Other Income and Expense		(414,510)	(3,608,153)
Earnings before Tax		6,965,353	692,229
(Income Tax Expense)/Deferred Tax Benefit	2(V),15	(451,747)	(280,208)
Net Income		\$ 6,513,606	\$ 412,021
Earnings Per Share			
	2(Z),18		
- Basic		\$ 0.31	\$ 0.03
- Diluted		\$ 0.31	\$ 0.02
Weighted Average Shares Outstanding			
- Basic		21,136,392	17,272,756
- Diluted		21,136,392	