

INNOVA HOLDINGS
Form 10QSB
November 20, 2006

**UNITED STATES
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 September 30, 2006.

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934** for the transition period from _____ to _____.

Commission file number: 000-33231

**INNOVA ROBOTICS AND
AUTOMATION, INC.
FORMERLY KNOWN AS
INNOVA HOLDINGS, INC.**

(Name of Small Business Issuer in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

95-4868120
(IRS Employer Identification No.)

17105 San Carlos Boulevard, Suite A6151, Fort Myers, Florida 33931
(Address of principal executive offices)

(239) 466-0488
(Issuer's telephone number)

Check whether 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 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 o

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

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Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court: Yes No

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

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of November 20, 2006, the issuer had 79,467,593 shares of common stock, \$.001 par value, issued and outstanding.

Transitional Small Business Issuer Format (Check One): Yes No

EXPLANATORY NOTE

All common share amounts and per share amounts in the accompanying financial statements and in this Quarterly Report on Form 10-QSB for the three and nine months ended September 30, 2006, reflect the one-for-ten reverse stock split of the issued and outstanding shares of common stock of the Company, effective on November 20, 2006 as well as the name change of the Company from Innova Holdings, Inc. to Innova Robotics and Automation, Inc.

**INNOVA ROBOTICS AND AUTOMATION, INC.
F/K/A INNOVA HOLDINGS, INC.
September 30, 2006 QUARTERLY REPORT ON FORM 10-QSB**

TABLE OF CONTENTS

	PAGE
PART I - FINANCIAL INFORMATION	
Item 1. Consolidated Financial Statements (Unaudited)	
Consolidated Balance Sheet	3
Consolidated Statements of Operations	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	7
Special Note Regarding Forward Looking Statements	20
Item 2. Management's Discussion and Analysis or Plan of Operations	20
Item 3. Controls and Procedures	24
PART II - OTHER INFORMATION	25
Item 1. Legal Proceedings	25
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	25
Item 3. Defaults Upon Senior Securities	26
Item 4. Submission of Matters to a Vote of Security Holders	27
Item 5. Other Information	27
Item 6. Exhibits	27
SIGNATURES	28

INNOVA ROBOTICS AND AUTOMATION, INC.
F/K/A INNOVA HOLDINGS, INC.
CONSOLIDATED BALANCE SHEET
September 30, 2006
(Unaudited)

ASSETS

Current assets	
Cash	\$ 365,934
Accounts receivable, net	97,068
Inventory	91,860
Total current assets	554,862
Property and equipment, net	163,544
Other assets, net	676,220
Deferred financing cost	238,488
TOTAL ASSETS	\$ 1,633,114
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current liabilities	
Current maturities of long-term debt	\$ 67,382
Accounts payable	944,076
Accrued expenses	819,689
Notes payable, others	358,500
Notes payable, related parties	286,000
Dividend payable	29,117
Derivative liability	3,312,169
Total current liabilities	5,816,933
Long-term obligations:	
Convertible debt	82,909
Long-term debt, net of current maturities	921,718
Commitments	
STOCKHOLDERS' DEFICIT:	
Preferred stock, \$.001 par value, 10,000,000 shares authorized, 294,000 shares issued and outstanding	294
Common stock, \$.001 par value, 90,000,000 shares authorized, 79,467,593 shares issued and outstanding	79,468
Additional paid-in capital	9,527,190
Accumulated deficit	(14,795,398)
Total Stockholders' Deficit	(5,188,446)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 1,633,114

The accompanying notes are an integral part of these consolidated financial statements.

INNOVA ROBOTICS AND AUTOMATION, INC.
F/K/A INNOVA HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
Three and Nine Months Ended September 30, 2006 and 2005
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2006	2005	2006	2005
Revenues				
Services	\$ 255,717	\$ --	\$ 610,500	\$ --
Products	68,303	--	239,991	--
Total revenues	324,020	--	850,491	--
Cost of revenues				
Services	238,204	--	497,913	--
Products	69,908	--	197,136	--
Total cost of revenues	308,112	--	695,049	--
Gross profit	15,908	--	155,442	--
Operating expenses:				
Selling, general and administrative	1,413,490	230,571	3,129,738	570,739
Outside services	193,117	222,467	429,370	375,694
Legal fees	91,103	17,192	246,807	73,212
Professional fees	74,052	17,986	157,740	361,382
Depreciation and amortization	87,526	1,859	100,471	3,641
Total operating expenses	1,859,288	490,075	4,064,126	1,384,668
Loss from operations	(1,843,380)	(490,075)	(3,908,684)	