

Fresh Traffic Group Inc.
Form 10-Q
April 19, 2011

UNITED STATES
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 February 28, 2011

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

000-53703
(Commission File Number)

FRESH TRAFFIC GROUP INC.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

98-0531819
(I.R.S. Employer Identification No.)

201 Portage Ave, Suite 1680, Winnipeg MB,
Canada
(Address of principal executive offices)

R3B 3K6
(Zip Code)

(204) 942-4200
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (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 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).

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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. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company
(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 Exchange Act).

Yes No

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

Indicate by check mark whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

36,000,000 common shares outstanding as of April 11, 2011

(Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.)

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PART I

ITEM 1. FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Article 210 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal recurring nature. Operating results for the six month period ended February 28, 2011, are not necessarily indicative of the results that may be expected for the fiscal year ending August 31, 2011. For further information refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2010

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FRESH TRAFFIC GROUP INC.
CONSOLIDATED BALANCE SHEETS
(Stated in US Dollars)

ASSETS	February 28, 2011 (Unaudited)	August 31, 2010
Current		
Cash	\$42,254	\$ 11,785
Accounts receivable	43,602	28,526
GST receivable	5,255	-
Corporate tax refund	-	407
Inventory	510	-
Total Current Assets	91,621	40,718
Property, plant and equipment, net	7,287	8,837
Security deposit - Note 5	19,640	19,032
Total Assets	\$ 118,548	\$ 68,587
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$103,373	\$ 16,358
GST payable	2,198	1,548
Loan payable	19,166	-
Loan payable – related parties	-	68,387
Total Current Liabilities	124,737	86,293
STOCKHOLDERS' DEFICIT		
Capital stock –		
Authorized:		
\$0.001 par value, 675,000,000 common shares authorized;		
36,000,000 and 8,000,000 common shares issued and outstanding at February 28,		
2011 and August 31, 2010, respectively		
	36,000	8,000
Additional Paid-in Capital	101,101	(7,900)
Deficit	(148,028)	(20,667)
Accumulated other comprehensive income (loss)	4,738	2,861
Total Stockholders' Equity (Deficit)	(6,189)	(17,706)
Total Liabilities and Stockholders' Equity (Deficit)	\$ 118,548	\$ 68,587

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

FRESH TRAFFIC GROUP INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Stated in US Dollars)
(Unaudited)

	Three Months ended February 28,		Six Months ended February 28,	
	2011	2010	2011	2010
Service based sales	\$142,123	\$67,688	\$232,262	\$178,194
Cost of goods sold	69,550	60,450	136,920	146,608
Gross profit	72,573	7,238	95,342	31,586
Operating Expenses				
Professional fees	14,971	-	32,070	113
Rent	22,211	18,574	41,065	37,346
Amortization	785	1,316	1,550	2,612
Investor relations	48,000	-	48,000	-
Other general and administrative expenses	9,291	7,168		