

R & A Productions, Inc.
Form 10-Q
January 31, 2011

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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 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: 333-164909

R & A Productions, Inc.

(Name of small business issuer in its charter)

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Nevada	7812	26-4574088
(State or other JURISDICTION OF	(Primary Standard Industrial	(I.R.S. Employer Identification
INCORPORATION OR	Classification Code	Code Number)
ORGANIZATION)	Number)	

146A Redwood Avenue

Carlsbad, CA 92008

www.Productions-RA.com

619-869-9981

(Address and telephone number of registrant's principal executive offices and principal place of business)

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 - ☐

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

Large accelerated filer - <input type="radio"/>	Accelerated filer - <input type="radio"/>	Non-accelerated filer - <input type="radio"/> (Do not check if a smaller reporting company)	Smaller reporting company - <input checked="" type="radio"/>
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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.

COMMON STOCK

(Class)

6,222,764

Outstanding at December 31, 2010

Form 10-Q
For the Quarter Ended December 31, 2010

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Exhibit 31.1 Section 302 Certification of Chief Executive Officer

Exhibit 31.2 Section 302 Certification of Chief Financial Officer

Exhibit 32.1 Section 906 Certification of Chief Executive Officer

Exhibit 32.2 Section 906 Certification of Chief Financial Officer

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R & A PRODUCTIONS, INC

CONDENSED BALANCE SHEET

December 31, 2010 (1st Quarter-Unaudited)

And September 30, 2010 (Audited)

	December 31, 2010	September 30, 2010
Assets		
Current Assets		
Cash	\$ 476	\$ 1,510
Accounts Receivable	0	0
Total Current Assets	476	1,510
Other		
Film Equipment	33,800	33,800
Furniture & Computer Equip.	39,384	39,384
Accumulated Depreciation	(15,296)	(14,296)
Total Other Assets	57,888	58,888
Total Assets	58,364	60,398
Liabilities And Equity		
Current Liabilities		
Accrued income tax payable	0	0
Total Current Liabilities	0	0
Total Liabilities	0	0
Stockholders Equity		
Common Stock \$.001 Par Value 75,000,000 Shares Authorized 5,449,906 shares	6,223	5,553

issued and outstanding

Paid in Capital	75,733	75,740
Accumulated Deficit	(23,592)	(20,895)
Total Stockholders Equity	58,364	60,398
Total Liabilities And Stockholders Equity	\$ 58,364	\$ 60,398

*See accompanying summary of accounting policies and notes to consolidated
financial statements*

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R & A PRODUCTIONS, INC**STATEMENT OF OPERATIONS****(Unaudited)****Three Months Ended**

	December 31,	December 31,
	2010	2009
Revenue		
Sales	\$ 40,000	\$ 2,600
Total Income	40,000	2,600
Ordinary Income\Expenses		
Depreciation	1,000	2,208
Shares issued for services	3,506	-
Share issued for film assets	-	-
Consulting	35,000	-
Cost to Complete Film	-	6,000
General & Admin	4,224	2,583
Professional Fees	10,310	3,500
Other Expenses	-	291
Total Expenses	\$ 54,040	\$ 14,582
Net Income Before Provision for Income Taxes	(14,040)	(14,582)
Provision for Income Taxes	0	0
Other Income	8,500	
Net Income	(5,540)	(11,982)
Net Earnings (Loss) Per Share	\$ (0.001)	\$ (0.002)
Weighted Average Shares Outstanding	6,222,764	5,449,906

See accompanying summary of accounting policies and notes to consolidated

financial statements

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R & A PRODUCTIONS, INC

STATEMENT OF CASH FLOW

(Unaudited)

Three Months Ended

		December 31,	December 31,
		2010	2009
Net Income	\$	(5,540)	\$ (11,982)
Adjustments to Reconcile Net Income			
(Loss) To Net Cash Used in Operating Activities:			
From Operations			
Depreciation		1,000	2,208
Increase in estimated costs to complete film		0	6,000
Net Cash Provide by Operating Activities		(4,540)	(3,774)
Investing Activities			
Film Equipment		0	(500)
Net Cash Provided by Investing Activity		0	(500)
Cash Flow from Financing Activities			
Capital Stock		3,506	6,000
Net Cash Used by Financing Activities		3,506	6,000
Increase in Cash		(1,034)	1,726
Cash at Beginning		1,510	8,100
Cash at End	\$	476	9,826

See accompanying summary of accounting policies and notes to consolidated financial statements

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R & A PRODUCTIONS INC.

(A DEVELOPMENT STAGE COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

BUSINESS AND BASIS OF PRESENTATION

R&A Productions Inc. ("Company" or "R&A Productions") was formed on March 13, 2009 under the laws of the State of Nevada.

R&A Productions is a Film Production and distribution Company.

LIQUIDITY

As shown in the accompanying financial statements, the Company incurred a net loss of (5,540) for the first quarter ended December 31, 2010 as compared to a net loss of (\$11,982) for the first quarter ended December 31, 2009. At the quarter ended December 31, 2010 the Company's current assets were \$476 and the total assets were \$58,364 and its liabilities were \$0. The Company's assets exceeded its liabilities by \$58,364. At the year ended September 30, 2010 the Company's current assets were \$1,510 and the total assets were \$60,398 and its liabilities were \$0. The Company's assets exceeded its liabilities by \$58,888 at Year end September 30, 2010. (see Note B).

ESTIMATES

The preparation of the financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

REVENUE RECOGNITION

The Company recognizes revenue when earned in accordance with SEC Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB 101").

On December 17, 2003, the SEC staff released Staff Accounting Bulletin (SAB) No. 104, Revenue Recognition. The staff updated and revised the existing revenue recognition in Topic 13, Revenue Recognition, to make its interpretive guidance consistent with current accounting guidance, principally EITF Issue No. 00-21, "Revenue Arrangements with Multiple Deliverables." Also, SAB 104 incorporates portions of the Revenue Recognition in Financial Statements - Frequently Asked Questions and Answers document that the SEC staff considered relevant and rescinds the remainder. The company's revenue recognition policies are consistent with this guidance; therefore, this guidance will not have an immediate impact on the company's consolidated financial statements.

CASH EQUIVALENTS

The Company considers cash on hand, deposits in banks, and short-term investments purchased with an original maturity date of three months or less to be cash and cash equivalents. The carrying amounts

reflected in the balance sheets for cash and cash equivalents approximate the fair values due to short maturities of these instruments.

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INCOME TAXES

The Company has adopted Financial Accounting Standard No. 109 (SFAS 109) which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes are insignificant.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using straight-line methods over the estimated useful lives of the assets, principally three to five years, or the term of the lease, if shorter, for leasehold improvements.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company has adopted Statement of Financial Accounting Standards No. 144 (SFAS 144). The Statement requires that long-lived assets and certain identifiable intangibles held and used by the Company be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted inability to achieve break-even operating results over an extended period. The Company evaluates the recoverability of long-lived assets based upon forecasted undercounted cash flows. Should impairment in value be indicated, the carrying value of intangible assets will be adjusted, based on estimates of future discounted cash flows resulting from the use and ultimate disposition of the asset. SFAS No. 144 also requires assets to be disposed of be reported at the lower of the carrying amount or the fair value less costs to sell.

COMPREHENSIVE INCOME

Statement of Financial Accounting Standards No. 130 ("SFAS 130"), "Reporting Comprehensive Income," establishes standards for reporting and displaying of comprehensive income, its components and accumulated balances. Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. The Company does not have any items of comprehensive income in any of the periods presented.

SEGMENT INFORMATION

The Company adopted Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information ("SFAS 131"). SFAS establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports issued to stockholders. SFAS 131 also establishes standards for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision making group, in making

decisions how to allocate resources and assess performance. The information disclosed herein, materially represents all of the financial information related to the Company's principal operating segment.

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EARNINGS PER SHARE

The Company has adopted Statement of Financial Accounting Standard No. 128, "Earnings Per Share," specifying the computation, presentation and disclosure requirements of earnings per share information. Basic earnings per share have been calculated based upon the weighted average number of common shares outstanding. Stock options and warrants have been excluded as common stock equivalents in the diluted earnings per share because they are either anti-dilutive, or their effect is not material.

STOCK BASED COMPENSATION

The Company applies the intrinsic value-based method of accounting prescribed by Accounting Principles Board Opinion 25, "Accounting for Stock Issued to Employees", and related interpretations, in accounting for its stock option plans. As such, compensation expense would be recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation", established accounting and disclosure requirements using a fair value-based method of accounting for stock-based employee compensation plans. As allowed by SFAS No.123, the Company has elected to continue to apply the intrinsic value-based method of accounting described above, and has adopted the disclosure requirements of SFAS No. 123 which are included in Note 17. The Company has also adopted the annual disclosure provisions of SFAS No. 148 in its financial reports for the year ended September 30, 2009 and for the subsequent periods.

CONCENTRATIONS OF CREDIT RISK

Financial instruments and related items, which potentially subject the Company to concentrations of credit risk, consist primarily of cash, cash equivalents and trade receivables. The Company places its cash and temporary cash investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit. The Company periodically reviews its trade receivables in determining its allowance for doubtful accounts. The allowance for doubtful accounts was \$0 as of December 31, 2009.

ADVERTISING

The Company follows a policy of charging the costs of advertising to expenses incurred. The Company incurred advertising expenses of \$0 and \$0 during the year ended December 31, 2009.

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NEW ACCOUNTING PRONOUNCEMENTS

In May 2009, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification Topic No. 855, Subsequent Events. This guidance establishes general standards of accounting for and, disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It sets forth (i) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (ii) the circumstances under which an entity

should recognize events or transactions occurring after the balance sheet date in its financial statements and (iii) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. The guidance is effective for interim or annual financial periods ending after June 15, 2009 and was adopted with no material effect on the Company's statement of financial condition or results of operations.

In June 2009, the FASB issued SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles a replacement of FASB Statement No. 162" (SFAS 168). Under SFAS 168, the FASB Accounting Standards Codification (Codification) will become the sole source of authoritative U.S. GAAP to be applied by non-governmental entities. SFAS 168 is effective for the financial statements issued for interim and annual periods ending after September 15, 2009. The adoption will have no material impact on the Company's financial statements but will require that interim and annual filings include references to the Codification.

In June 2009, the FASB issued Accounting Standards Codification Topic No. 105-10, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles" (ASC 105-10). This guidance establishes the FASB Accounting Standards Codification (the "Codification") as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority. The Codification superseded all existing

non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the Codification is non-authoritative. The FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates ("ASUs"). The FASB will not consider ASUs as authoritative in their own right. ASUs will serve only to update the Codification, provide background information about the guidance and provide the basis for conclusions on the change(s) in the Codification. References made to FASB guidance throughout this document have been updated for the Codification.

In October 2009, the FASB issued Accounting Standards Codification Topic No. 605, "Multiple-Deliverable Revenue Arrangements". This guidance establishes a selling price hierarchy for determining the selling price of a deliverable and expands the disclosures required for multiple-deliverable revenue arrangements. This guidance is effective for revenue arrangements that are entered into or are materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. The Company is currently evaluating the impact of adopting this guidance on its results of operations and financial position.

NOTE B - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2010 consists of the following:

Property and Equipment

Computers and Equipment and furniture	39,384
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Film Equipment	33,800
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Property and Equipment	\$ 73,184
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Accumulated depreciation	(15,296)
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Property and Equipment less depreciation	\$ 57,888
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NOTE C - INCOME TAXES

The Company has adopted Financial Accounting Standard No. 109 which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes are insignificant.

The Company had a net loss of (\$32,650) at the year end September 30, 2010. The Company had a loss of (\$5,540) in the quarter ended December 31, 2010.

NOTE D - EARNINGS PER SHARE

Basic earnings per share is calculated using the weighted average number of common shares outstanding during each year. Diluted earnings per share includes the net number of shares that would be issued upon the exercise of stock options using the treasury stock method. Options are not considered in loss years as they would be anti-dilutive. There are no shares with a dilutive impact for the quarter ended December 31, 2010.

NOTE E - CAPITAL STOCK

CONVERTIBLE PREFERRED STOCK

The Company currently has not authorized any class of Preferred stock.

COMMON STOCK

The Company is authorized to issue 75,000,000 shares of common stock, par value .001 per share. At the twelve months ended September 30, 2009 there were 5,432,764 shares of common stock issued and outstanding. At the quarter ended December 31, 2009 there were 5,449,906 shares of common stock issued and outstanding.

On April 10, 2009 the Company issued 2,500,000 share of restricted 144 stock to its CEO and Director, Hector Medina at par value for services rendered to the Company in lieu of salary. Another 4,200 shares were issued as gifted stock. On April 15, 2009 the Company entered into a contract with BW Acquisition, Inc. whereby it acquired the rights to its software business course for the par value of stock issued. Per the contract 406,764 shares of common stock were dividend to the shareholders of BW Acquisition, Inc. Also on April 15, 2009 500,000 shares of common stock were issued for a marketing distribution agreement. On April 23, 2009, 1,901,800 shares of common stock were issued as part of a contractual agreement for the non exclusive rights to the film Trestles .

In July of 2009 the Company initiated a Private Reg D 506 Offering for the sale of 735,000 shares of common stock. To December 31, 2009 the Company sold 137,142 shares of its common stock.

In March of 2010 the company issued 30,000 shares of common stock at par value to Hector Medina, the President, for services rendered in lieu of cash per a pre-agreement with Hector Medina that was dated April 10, 2009; however the issuance was not recorded until March of 2010. In December of 2010 an additional 670,000 shares were issued to Hector Medina under the same agreement.

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NOTE F - COMMITMENTS AND CONTINGENCIES

LEASE COMMITMENTS

The Company does not lease any office space; it uses space provided by its Chief Executive.

EMPLOYMENT AND CONSULTING AGREEMENTS

To December 31, 2009 the Company entered into an agreement with its Chief Executive Officer, Hector Medina, where he was compensated for service rendered by the issuance of 2,500,000 shares of the Company's common stock at the par value of \$.001.

In April of 2009 500,000 share of common stock at the par value of \$.001 per share were issued to Andrew Mercer as part of a Film Marketing Distribution agreement.

PURCHASE AGREEMENTS

On June 7, 2009 the Company acquired the film TIES from S Buiz, Inc. The Company agreed to fund the completion of the film upon further capitalization. In addition the Company was to assist in the completion of the film. S Buiz, Inc. is to be paid a royalty of \$1.00 per copy of all DVDs sold and 20% of any net profits from other film sales.

On June 29, 2009 Future Films, Inc. purchased the rights to the Film TIES for a price of \$50,500. \$25,500 was paid upon the signing of the contract as a non-refundable payment. \$25,000 is due upon the completion of the film. The revenue from the final payment of \$25,000 will be recognized upon receipt of the funds and the delivery of the film. Because the payment of \$25,500 was a non-refundable payment the Company recognized the revenue upon its receipt.

In October and December of 2009 the Company paid for expenses relative to additional filming in El Salvador for the film TIES .

On April 23, 2009 the Company purchased from a related party the rights to the film *The Trestles* for \$4,000 and 400,000 shares of the Company's common stock. The Company sold the rights to Simplecraft for \$13,000.00 (which was deemed per the contract to be non-refundable) and agreed to aid in the completion of the film upon further capitalization. Because the revenue was a non-refundable payment the Company recognized the revenue upon receipt.

On April 15, 2009 the Company acquired the rights to *Basics of Business Success* from BW Acquisition, Inc. for 406,764 shares of its common stock valued at par value.

NOTE G - LITIGATION

There is no past or pending litigation.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read together with our un-audited condensed consolidated financial statements and the accompanying notes. This discussion contains forward-looking statements, within the meaning of Section 27A of Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, including statements regarding our expected financial position, business and financing plans. Some of the forward-looking statements can be identified by the use of forward-looking term such as believes, expects, may, will, should, could, seek, intends, plans, estimates or other comparable terms. Forward-looking statements involve inherent risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statement, including those discussed herein and elsewhere in our Registrations Statement on Form S-1 filed with the Securities and Exchange Commission (Commission), particularly under the heading Risk Factors. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made.

BUSINESS OVERVIEW

We are currently in production with two films. We also plan to distribute our own films as well as films of others. We also have a course plan for business which we anticipate turning into a DVD and subsequently marketing through distribution networks. To date we have presold one of our films and are in process of its completion.

We sent a production team to El Salvador twice in 2010 for additional filming. We had hoped to complete all filming during those sessions. However it is necessary to return for at least one if not two films sessions. We had anticipated the completion of all filming by the first quarter of 2011. However that date has been pushed back and it is uncertain as to when we will complete the film itself. We had anticipated raising additional capital for the completion of production and marketing of our films. Due to the nature of the economy for the last two years, we have placed our focus on commercial film endeavors. As such we have contracted with Direct Media Enterprises to film advertising spots for their proprietary kiosks which has been the primary means of our revenue for the past year and the quarter ended December 31, 2010.

Our fiscal year ends September 30 of each calendar year. Each reference to a fiscal year in this report refers to the fiscal year ending September 30 of the calendar year indicated (for example, fiscal 2010 refers to the fiscal year ending September 30, 2010).

CRITICAL ACCOUNTING POLICIES & ESTIMATES

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of assets and liabilities. On an on-going basis, we evaluate our critical accounting policies and estimates. Actual results may differ from these estimates under different assumptions or conditions. Our critical accounting policies and estimates are discussed in our audit in our registration statement on Form S-1 for the fiscal year ended September 30, 2009. As of December 31, 2010, there had been no material changes to our critical accounting policies and estimates.

RECENT ACCOUNTING PRONOUNCEMENTS

See Item 1 of Part I, "Financial Statements - Note 2 - Basis of Presentation - Recent Accounting Pronouncements."

OUTLOOK

We have worked with minimal capital to date. We are in process of completion of 2 films and plan on marketing both films subsequent to their completion. However we are seeking additional capital to accomplish the completion process. At this time we have no arrangements pending or otherwise to raise additional capital.

For the year 2011 we anticipate the Company's focus to be on raising capital for the completion and marketing of the Company's films. We will also continue to focus on expanding our commercial film production. We also are positioning the Company to acquire films from other producers to distribute through the distribution channels which we are currently implementing. We have not ruled out the possibility of acquiring additional technologies in the future.

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Liquidity and Financial Position

As shown in the accompanying financial statements, the Company incurred a net loss of (5,540.00) for the first quarter ended December 31, 2010 as compared to a net loss of (\$11,982) for the first quarter ended December 31, 2009. At the quarter ended December 31, 2010 the Company's current assets were \$476 and the total assets were \$58,364 and its liabilities were \$0. The Company's assets exceeded its liabilities by \$58,364. At the year ended September 30, 2010 the Company's current assets were \$1,510 and the total assets were \$60,398 and its liabilities were \$0. The Company's assets exceeded its liabilities by \$58,888 at Year end September 30, 2010.

Results of Operations

In the first quarter ended December 31, 2010 the Company's revenues of \$40,000 were generated through its commercial production activities. The Company continues working towards completion and subsequent distribution of its films in order to receive final payments and to begin marketing and distribution of its films..

At quarter ended December 31, 2010 the Company had revenues of \$40,000.00 and losses of \$5,540.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The following discusses our exposure to market risk related to changes in interest rates, equity prices and foreign currency exchange rates. We do not believe that their respective exposure to market risk is material.

Market risk is risk of loss arising from changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices.

We do not have any foreign currency exchange rate risk or commodity price risk and do not currently trade any market sensitive instruments.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls

We evaluated the effectiveness of our disclosure controls and procedures as of three months ended December 31, 2010. This evaluation was done with the participation of our Chief Executive Officer and Chief Financial Officer.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 are recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Securities Exchange Act of 1934 is accumulated and communicated to our manager, as appropriate to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Controls

Our management does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance that the objectives of a control system are met. Further, any control system reflects limitations on resources, and the benefits of a control system must be considered relative to its costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within us have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of a control. Because the design of a control system is based upon certain assumptions about the likelihood of future events, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or

procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

Conclusions

Based on this evaluation, our Chief Executive Officer has evaluated our disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) as of December 31, 2010, and have concluded that they are effective to timely alert them to material information relating to us required to be included in the reports that we file or submit under the Securities Exchange Act of 1934.

Changes in Internal Controls

There were no changes in our internal controls over financial reporting that occurred during our last fiscal quarter, *i.e.*, the quarter ended December 31, 2010, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

There are no legal proceedings against the Company or that the Company has entered into against others.

Item 1A. Risk Factors

In addition to the other information set forth in this 10-Q, you should carefully consider the factors discussed in Part I, Item 1A. Risk Factors, in our Registration Statement on Form S-1 files on February 16, 2010, which could materially affect our business, financial condition or future results. Additional risks and uncertainties not currently known to management may materially adversely affect our business, financial condition and/or operating results.

To the knowledge of management, there have been no material changes with respect to the risk factors disclosed in our Registration Statement on Form S-1 files on February 16, 2010.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults upon Senior Securities

None

Item 5. Other Information

In an 8-k report file on November 22, 2011 the Company reported regarding ITEM 4.01. CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT:

Previous independent registered public accounting firm

On November 15, 2010, R & A Productions, Inc. ("RAPP" or the "Registrant") was notified by its independent auditor, Larry O Donnell, Certified Public Accountant (O Donnell) that he was retiring from his accounting practice. In fact Larry O Donnell's registration with the PCAOB was revoked. The Company was only made aware of the revocation on December 30, 2010. The Company filed an amended 8-k to that effect on January 13, 2011.

We have subsequently requested a new letter from Larry O Donnell regarding the revocation of his registration with the PCAOB which we intend to file via a second amended 8-k upon receipt of the letter. If however we do not receive the letter from Larry O Donnell in the first week of February 2011, we intend to file an amended 8-k to that effect.

The report of O Donnell on RAPP's consolidated financial statements for the year ended September 30, 2009 and subsequent quarters review did not contain an adverse opinion or disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principle.

During the year ended September 30, 2009, and through June 30, 2010, the Company has not had any disagreements with O Donnell on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of O Donnell, would have caused them to make reference thereto in their report on the Registrant's

consolidated financial statements for such year.

New independent registered public accounting firm

On November 19, 2010 RAPP engaged Malcolm L. Pollard, Inc. CPAs, PC ("MP") of Erie, Pennsylvania as the Registrant's independent accountants to report on the Registrant's balance sheet as of September 30, 2010, and the related statements of income, stockholders' equity and cash flows for the year then ended. The decision to appoint MP was approved by the Registrant's Board of Directors. During the Registrant's two most recent fiscal years and any subsequent interim period prior to the engagement of MP, neither the Registrant nor anyone on the Registrant's behalf consulted with MP regarding either (i) the application of accounting principles to a specified transaction, either contemplated or proposed, or the type of audit opinion that might be rendered on the Registrant's financial statements, or (ii) any matter that was either the subject of a "disagreement" or a "reportable event."

None

Item 6. Exhibits.

Exhibits:

- 8-K Item 4.01 Change of Accountants filed November 22, 2010
- 8-K\A Item 4.01 Change of Accountants filed January 13, 2011
- 31.1 Certification pursuant to §302 of the Sarbanes-Oxley Act of 2002*
- 31.2 Certification pursuant to §302 of the Sarbanes-Oxley Act of 2002*
- 32.1 Certification pursuant to §906 of the Sarbanes-Oxley Act of 2002*
- 32.2 Certification pursuant to §906 of the Sarbanes-Oxley Act of 2002*

* filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

R&A PRODUCTIONS INC.

By: /s/ Hector Medina

Hector Medina

Chief Executive Officer and Director

Date: January 28, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Hector Medina</u> Hector Medina	Chief Executive Officer and Director	January 28, 2011