SIGNET INTERNATIONAL HOLDINGS, INC.
Form 10QSB
August 21, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-QSB

(Mark one)

[X] Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 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: 000-51185

Signet International Holdings, Inc.
(Exact name of small business issuer as specified in its charter)

Delaware	16-1732674
(State of incorporation)	(IRS Employer ID Number)

205 Worth Avenue, Suite 316, Palm Beach, Florida 33480
(Address of principal executive offices)

(561) 832-2000
(Issuer's telephone number)

Check whether the 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 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 X NO

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): YES NO X

State the number of shares outstanding of each of the issuer's classes of common equity as of the latest practicable date: August 19, 2006: 4,102,000

Transitional Small Business Disclosure Format (check one): YES NO X

Signet International Holdings, Inc.

Form 10-QSB for the Quarter ended June 30, 2006

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Item 1
Part 1 - Financial Statements

Signet International Holdings, Inc. and Subsidiary
(a development stage enterprise)
Consolidated Balance Sheets
June 30, 2006 and 2005

(Unaudited)

	June 30,	June 30,

	2006	2005
ASSETS		
Current Assets		
Cash in bank	$ 204,229	$ 50,000
Total Assets	$ 204,229	$ 50,000
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Liabilities		
Current Liabilities		
Note payable	$ --	50,000
Accounts payable - trade	11,909	--
Other accrued liabilities	90,337	35,000
Accrued officer compensation	182,418	116,670
Total Current Liabilities	284,664	201,670
Total Liabilities	284,664	201,670
Commitments and Contingencies		
Shareholders' Equity (Deficit)		
Preferred stock - $0.001 par value 50,000,000 shares authorized 5,000,000 and 4,000,000 shares issued and outstanding, respectively	5,000	4,000
Common stock - $0.001 par value 100,000,000 shares authorized 4,102,000 and 3,364,000 shares issued and outstanding, respectively	4,102	3,364
Additional paid-in capital	737,592	102,257
Deficit accumulated during the development stage	(827,129)	(226,291)
	(80,435)	(116,670)
Stock subscription receivable	--	(35,000)
Total Shareholders' Equity (Deficit)	(80,435)	(151,670)
Total Liabilities and Shareholders' Equity	$ 204,229	$ 50,000

The financial information presented herein has been prepared by management without audit by independent certified public accountants.
The accompanying notes are an integral part of these financial statements.

Signet International Holdings, Inc. and Subsidiary
(a development stage enterprise)
Consolidated Statements of Operations and
Comprehensive Loss Six and Three months ended
June 30, 2006 and 2005 and
Period from October 17, 2003 (date of inception) through June 30, 2006

(Unaudited)

	Six months ended June 30, 2006	Six months ended June 30, 2005	Three months ended June 30, 2006	Three months ended June 30, 2005
Revenues	$ --	$ --	$ --	$ --
Expenses				
Organizational and formation expenses	--	--	--	--
Officer compensation	34,498	35,000	16,998	17,500
Other salaries	17,375	10,500	8,375	5,250
Other general and administrative expenses	243,137	9,875	220,729	4,968
Compensation expense related to sale of common stock at less than "fair value"	125,000	--	125,000	--
Total Expenses	420,010	55,375	371,102	27,718
Loss from Operations	(420,010)	(55,375)	(371,102)	(27,718)
Other Expense				
Interest expense	(4,436)	--	--	--
Loss before Provision for Income Taxes	(424,446)	(55,375)	(371,102)	(27,718)
Provision for Income Taxes	--	--	--	--
Net Loss	(424,446)	(55,375)	(371,102)	(27,718)
Other Comprehensive Income	--	--	--	--
Comprehensive Loss	$ (424,446)	$ (55,375)	$ (371,102)	$ (27,718)

Loss per weighted-average share
of common stock outstanding,

computed on Net Loss - basic and fully diluted	$ (0.11)	$ (0.02)	$ (0.10)	$ (0.01)	$
Weighted-average number of shares of common stock outstanding	3,881,917	3,464,000	3,876,890	3,464,000	

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Signet International Holdings, Inc. and Subsidiary
(a development stage enterprise)
Consolidated Statements of Cash Flows
Six months ended June 30, 2006 and 2005 and
Period from October 17, 2003 (date of inception) through June 30, 2006

(Unaudited)

	Six months ended June 30, 2006	Six months ended June 30, 2005	Perio Octo 2 (dat ince thr Jun 2
Cash Flows from Operating Activities			
Net Loss	$(424,446)	$ (55,375)	$(82
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	--	--	
Expenses paid with common stock	125,000	--	12
Organizational expenses paid with issuance of common and preferred stock	--	--	5
"Compensation expense" related to sale of common stock at less than "fair value"	125,000	--	18
Increase (Decrease) in			
Accounts payable - trade	11,909	--	1
Accrued liabilities	56,398	10,500	9
Accrued officers compensation	33,998	35,000	18
Net cash used in operating activities	(72,141)	(9,875)	(18
Cash Flows from Investing Activities	--	--	

Cash Flows from Financing Activities			
Cash proceeds from note payable	--	50,000	9
Cash paid to retire note payable	(90,000)	--	(9
Cash proceeds from sale of common stock	15,000	--	41
Purchase of treasury stock	(50,000)	--	(5
Cash paid to acquire capital	--	--	(1
Capital contributed to support operations	--	9,875	3
Net cash provided by financing activities	(125,000)	59,875	38
Increase (Decrease) in Cash and Cash Equivalents	(197,141)	50,000	20
Cash and cash equivalents at beginning of period	401,370	--	
Cash and cash equivalents at end of period	$ 204,229	$ 50,000	$ 20
Supplemental Disclosures of Interest and Income Taxes Paid			
Interest paid during the period	$ 9,000	$ --	$
Income taxes paid (refunded)	$ --	$ --	$

The financial information presented herein has been prepared by management without audit by independent certified public accountants.
The accompanying notes are an integral part of these financial statements.

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Signet International Holdings, Inc. and Subsidiary
(a development stage enterprise)
Notes to Consolidated Financial Statements
June 30, 2006 and 2005

Note A - Organization and Description of Business

Signet International Holdings, Inc. (Company) was incorporated on February 2, 2005 under the Laws of the State of Delaware as 51142, Inc. The Company's initial business plan was to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions.

On September 8, 2005, pursuant to a Stock Purchase Agreement and Share Exchange (Agreement) by and among the Company, Signet Entertainment Corporation (SIG) and the shareholders of Signet Entertainment Corporation (a private Florida corporation) (Shareholders) (collectively SIG and the SIG shareholders shall be known as SIG Group); the Company acquired 100.0% of the then issued and outstanding shares of SIG in exchange for the issuance of an aggregate 3,421,000 shares of the Company's common stock to the SIG shareholders. Pursuant to the Agreement, SIG became a wholly owned subsidiary of the Company. At the transaction date, the then-sole shareholder of the Company was also the controlling shareholder, chief executive officer and director of SIG.

Signet Entertainment Corporation (SIG) was incorporated on October 17, 2003 in accordance with the Laws of the State of Florida. SIG was formed to establish a television network "The Gaming and Entertainment Network".

The acquisition of the SIG by the Company effected a change in control of the Company and will be accounted for as a "reverse acquisition" whereby the Company is the accounting acquiror for financial statement purposes. Accordingly, for all periods subsequent to the combination transaction, the financial statements of the Signet International Holdings, Inc. will reflect the historical financial statements of the Company and the operations of Signet International Holdings, Inc. subsequent to the transaction date.

The Company is considered in the development stage and, as such, has generated no significant operating revenues and has incurred cumulative operating losses of approximately $453,800.

Note B - Preparation of Financial Statements

The acquisition of the SIG by the Company effected a change in control of the Company and will be accounted for as a "reverse acquisition" whereby the SIG is the accounting acquiror for financial statement purposes. Accordingly, for all periods subsequent to the combination transaction, the financial statements of the Signet International Holdings, Inc. will reflect the historical financial statements of the SIG and the operations of Signet International Holdings, Inc. subsequent to the transaction date.

The Company follows the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and has a year-end of December 31.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

During interim periods, the Company follows the accounting policies set forth in its annual audited financial statements filed with the U. S. Securities and Exchange Commission on its Annual Report on Form 10-KSB which contains the Company's audited financial statements for the year ended December 31, 2005. The information presented within these interim financial statements may not include all disclosures required by generally accepted accounting principles and the users of financial information provided for interim periods should refer to the annual financial information and footnotes when reviewing the interim financial results presented herein.

Signet International Holdings, Inc. and Subsidiary
(a development stage enterprise)
Notes to Consolidated Financial Statements - Continued
June 30, 2006 and 2005

Note B - Preparation of Financial Statements - Continued

In the opinion of management, the accompanying interim financial statements, prepared in accordance with the U. S. Securities and Exchange Commission's instructions for Form 10-QSB, are unaudited and contain all material adjustments, consisting only of normal recurring adjustments necessary to present fairly the financial condition, results of operations and cash flows of the Company for the respective interim periods presented. The current period results of operations are not necessarily indicative of results which ultimately will be reported for the full fiscal year ending December 31, 2006.

Note C - Going Concern Uncertainty

The Company is still in the process of developing it's business plan and raising capital. As such, the Company is considered to be a development stage company.

The Company's continued existence is dependent upon its ability to generate sufficient cash flows from operations to support its daily operations as well as provide sufficient resources to retire existing liabilities and obligations on a timely basis.

The Company anticipates future sales of equity securities to facilitate either the consummation of a business combination transaction or to raise working capital to support and preserve the integrity of the corporate entity. However, there is no assurance that the Company will be able to obtain additional funding through the sales of additional equity securities or, that such funding, if available, will be obtained on terms favorable to or affordable by the Company.

If no additional operating capital is received during the next twelve months, the Company will be forced to rely on existing cash in the bank and upon additional funds loaned by management and/or significant stockholders to preserve the integrity of the corporate entity at this time. In the event, the Company is unable to acquire advances from management and/or significant stockholders, the Company's ongoing operations would be negatively impacted.

It is the intent of management and significant stockholders to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. However, no formal commitments or arrangements to advance or loan funds to the Company or repay any such advances or loans exist. There is no legal obligation for either management or significant stockholders to provide additional future funding.

While the Company is of the opinion that good faith estimates of the Company's ability to secure additional capital in the future to reach our goals have been made, there is no guarantee that the Company will receive sufficient funding to sustain operations or implement any future business plan steps.

Note D - Summary of Significant Accounting Policies

1. Cash and cash equivalents

For Statement of Cash Flows purposes, the Company considers all cash on hand and in banks, certificates of deposit and other highly-liquid investments with maturities of three months or less, when purchased, to be cash and cash equivalents.

2. Organization costs

The Company has adopted the provisions of AICPA Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities" whereby all organizational and initial costs incurred with the incorporation and initial capitalization of the Company were charged to operations as incurred.

3. Research and development expenses

Research and development expenses are charged to operations as incurred.

Note D - Summary of Significant Accounting Policies - Continued

4. Advertising expenses

The Company does not utilize direct solicitation advertising. All other advertising and marketing expenses are charged to operations as incurred.

5. Income Taxes

The Company uses the asset and liability method of accounting for income taxes. At June 30, 2006 and 2005, respectively, the deferred tax asset and deferred tax liability accounts, as recorded when material to the financial statements, are entirely the result of temporary differences. Temporary differences represent differences in the recognition of assets and liabilities for tax and financial reporting purposes, primarily accumulated depreciation and amortization, allowance for doubtful accounts and vacation accruals.

As of June 30, 2006 and 2005, the deferred tax asset related to the Company's net operating loss carryforward is fully reserved. Due to the provisions of Internal Revenue Code Section 338, the Company may have no net operating loss carryforwards available to offset financial statement or tax return taxable income in future periods as a result of a change in control involving 50 percentage points or more of the issued and outstanding securities of the Company.

6. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) available to common shareholders by the weighted-average number of common shares outstanding during the respective period presented in our accompanying financial statements.

Fully diluted earnings (loss) per share is computed similar to basic income (loss) per share except that the denominator is increased to include the number of common stock equivalents (primarily outstanding options and warrants).

Common stock equivalents represent the dilutive effect of the assumed exercise of the outstanding stock options and warrants, using the treasury stock method, at either the beginning of the respective period presented or the date of issuance, whichever is later, and only if the common stock equivalents are considered dilutive based upon the Company's net income (loss) position at the calculation date.

At June 30, 2006 and 2005, and subsequent thereto, the Company's issued and outstanding preferred stock is considered anti-dilutive due to the Company's net operating loss position.

Note E - Fair Value of Financial Instruments

The carrying amount of cash, accounts receivable, accounts payable and notes payable, as applicable, approximates fair value due to the short term nature of these items and/or the current interest rates payable in relation to current market conditions.

Interest rate risk is the risk that the Company's earnings are subject to fluctuations in interest rates on either investments or on debt and is fully dependent upon the volatility of these rates. The Company does not use derivative instruments to moderate its exposure to interest rate risk, if any.

Financial risk is the risk that the Company's earnings are subject to fluctuations in interest rates or foreign exchange rates and are fully dependent upon the volatility of these rates. The company does not use derivative instruments to moderate its exposure to financial risk, if any.

Signet International Holdings, Inc. and Subsidiary
(a development stage enterprise)
Notes to Consolidated Financial Statements - Continued
June 30, 2006 and 2005

Note F - Note Payable

Note payable consists of the following at June 30, 2006 and 2005, respectively:

	June 30, 2006	June 20
$90,000 note payable to an individual. Interest at 10.0%. Principal and accrued interest due at maturity in June 2006. Collateralized by controlling interest in the common stock of Signet International Holdings, Inc.		
Note paid in full on June 30, 2006.	$ -	$50,

Note G - Income Taxes

The components of income tax (benefit) expense for each of the six month periods ended June 30, 2006 and 2005 and for the period from October 17, 2003 (date of inception) through June 30, 2006, are as follows:

	Six months ended June 30, 2006	Six months ended June 30, 2005	Period from October 17, 2003 (date of inception) through June 30, 2006
Federal:			
Current	$ -	$ -	$ -
Deferred	-	-	-
	-	-	-
State:			
Current	-	-	-
Deferred	-	-	-
	-	-	-
Total	$ -	$ -	$ -

As of June 30, 2006, the Company has a net operating loss carryforward of approximately $300,000 for Federal and State income tax purposes.. The amount and availability of any future net operating loss carryforwards may be subject to limitations set forth by the Internal Revenue Code. Factors such as the number of shares ultimately issued within a three year look-back period; whether there is a deemed more than 50 percent change in control; the applicable long-term tax exempt bond rate; continuity of historical business; and subsequent income of the Company all enter into the annual computation of allowable annual utilization of the carryforwards.

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Note G - Income Taxes - Continued

The Company's income tax expense (benefit) each of the six month periods ended June 30, 2006 and 2005 and for the period from October 17, 2003 (date of inception) through June 30, 2006, respectively, differed from the statutory federal rate of 34 percent as follows:

	Six months ended June 30, 2006	Six months ended June 30, 2005	Period Octob 2003 of inc thr Jun 2
Statutory rate applied to income before income taxes	$ (144,000)	$ (18,800)	$ (281
Increase (decrease) in income taxes resulting from:			
State income taxes	-	-	
Non-deductible officers compensation	12,000	11,900	63
Non-deductible charge for common stock issued at less than "fair value"	43,000	-	62
Other, including reserve for deferred tax asset and application of net operating loss carryforward	89,000	6,900	156
Income tax expense	$ -	$ -	$

Temporary differences, consisting primarily of the prospective usage of net operating loss carryforwards give rise to deferred tax assets and liabilities as of June 30, 2006 and 2005, respectively:

	June 30, 2006	June 30, 2005
Deferred tax assets		
Net operating loss carryforwards	$114,000	$23,300
Officer compensation deductible when paid	63,000	39,700
Less valuation allowance	(177,000)	(63,000)
Net Deferred Tax Asset	$ -	$ -

Note H - Preferred Stock

The Company's By-Laws allow for the issuance of up to 50,000,000 shares of $0.001 par value Preferred Stock.

Holders of shares of preferred stock are entitled to one vote for each share on all matters to be voted on by the stockholders. Holders of preferred stock do not have cumulative voting rights. Holders of preferred stock are entitled to share ratably in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion from funds legally available therefore. In the event of a liquidation, dissolution or winding up of the Company, the holders of preferred stock are entitled to share pro rata all assets remaining after payment in full of all liabilities. All of the outstanding shares of preferred stock are fully paid and non-assessable. Holders of preferred stock have no preemptive rights to purchase our preferred stock. There are no conversion or redemption rights or sinking fund provisions with respect to the preferred stock.

Signet International Holdings, Inc. and Subsidiary
(a development stage enterprise)
Notes to Consolidated Financial Statements - Continued
June 30, 2006 and 2005

Note H - Preferred Stock - Continued

The Board of Directors has the authority, without further action by the shareholders, to issue from time to time the preferred stock in one or more series for such consideration and with such relative rights, privileges, preferences and restrictions that the Board may determine. The preferences, powers, rights and restrictions of different series of preferred stock may differ with respect to dividend rates, amounts payable on liquidation, voting rights, conversion rights, redemption provisions, sinking fund provisions and purchase funds and other matters. The issuance of preferred stock could adversely affect the voting power or other rights of the holders of common stock.

On October 20, 2003, in conjunction with the formation and incorporation of the Company, the Company issued 4,000,000 shares of preferred stock to the incorporating persons.

On July 19, 2005, the Company issued 1,000,000 shares of preferred stock to an existing shareholder and Company officer for services related to the organization and structuring of the Company and it's proposed business plan.

Note I - Common Stock Transactions

On October 17, 2003 and November 1, 2003, in connection with the incorporation and formation of the Company, an aggregate of approximately 3,294,000 shares of restricted, unregistered shares of common stock and were issued to various founding individuals. This combined preferred stock and common stock issuances were collectively valued at approximately $40,810, which approximated the fair value of the time provided by the individuals and the related out-of-pocket expenses.

On June 16, 2004 and December 3, 2004, the Company sold, in three separate transactions to three unrelated individuals, an aggregate 70,000 shares of restricted, unregistered common stock for $35,000 cash. These shares were sold pursuant to an exemption from registration under Section 4(2) of the Securities Act of 1933, as amended, and no underwriter was used any of the three transactions.

Between July 20, 2005 and August 26, 2005, the Company sold an aggregate 57,000 shares of common stock to existing and new shareholders at a price of $0.01 per share for gross proceeds of approximately $570. As this selling price was substantially below the "fair value" of comparable transactions, the Company will recognize a charge to operations equivalent to the difference between the established "fair value" of $1.00 per share (as determined by the pricing in the September 2005 Private Placement Memorandum) and the selling price of $0.01 per share as "Compensation expense related to common stock sold at less than "fair value".

On September 9, 2005, the Company commenced the sale of common stock pursuant to a Private Placement Memorandum in a self-underwritten offering. This Memorandum is offering for sale to persons who qualify as accredited investors and to a limited number of sophisticated investors, on a best efforts basis, up to 2,000,000 of our common shares at $1.00 per share, for anticipated gross proceeds of $2,000,000. The common shares will be offered through the Company's officers and directors on a best-efforts basis. The minimum investment is $1,000, however, the Company might, at it's sole discretion, accept subscriptions for lesser amounts. Funds received from all subscribers will be released to the Company upon acceptance of the subscriptions by the Company's management. Through June 30, 2006, the Company has sold 381,000 shares for gross proceeds of $381,000 under this Memorandum.

On March 31, 2006, the Company repurchased 50,000 shares of common stock from the estate of a deceased shareholder which purchased said shares for $50,000 cash pursuant to the aforementioned September 2005 Private Placement Memorandum for $50,000 cash. In June 2006, the Company's Board of Directors cancelled these shares and returned them to unissued status.

On June 22, 2006, the Company issued 250,000 shares of unregistered, restricted common stock, valued at $0.50 per share or $125,000, in payment of consulting fees. As the agreed-upon value of the services provided was less than the "fair value" of comparable transactions, the Company will recognize a charge to operations equivalent to the difference between the established "fair value" of $1.00 per share (as determined by the pricing in the September 2005 Private Placement Memorandum) and the agreed-upon value of $0.50 per share as "Compensation expense related to common stock sold at less than "fair value".

Note J - Commitments

Leased office space

The Company operates from leased office facilities at 205 Worth Avenue, Suite 316 Palm Beach, FL 33480 under an operating lease. The lease agreement expires in July 2009 and requires monthly payments of approximately $928. The Company is not responsible for any additional charges for common area maintenance.

Future maturities on this lease agreement are as follows:

Year ended December 31,	Amount
2006	$11,136
2007	11,136
2008	11,136
2009	6,496
Totals	$39,904

The Company also reimburses two non-executive personnel for the use of their personal home offices, which are not exclusive to the Company's business, at approximately $250 per month. These agreements are on a month-to-month basis.

For the respective years ended December 31, 2005 and 2004, the Company paid an aggregate of $16,738 and $16,702 for rent under these agreements.

Triple Play Management Agreement

On October 23, 2003, Signet Entertainment entered into a Management Agreement with Triple Play Media Management (Triple Play) of Peoria, Arizona. Triple Play is engaged to be the management company to manage and operate any acquired Signet facility (facilities) on a permanent basis for Signet for a period of ten years (the initial period) with an automatic extension of an additional ten years unless the dissenting party gives proper notice.

To facilitate this Management Agreement, Signet will endeavor to raise capital contributions through a Private Placement Offering, Regulation 506 and /or a Public Offering and show evidence of the total capital funds required for the establishment of the Network including providing funds for the budgeted operations of the business for the term of this agreement plus extensions. Signet will also provide a minimum of 17,500 square feet of permanent structure (connector facility), fully equipped to accommodate full- service television studios, sound stages and various production equipment within completely air-conditioned and heated work places and mobile modular production unit (s) fully equipped and a Eutelsat satellite Hot Bird and delivery system. Triple Play will, in turn, perform the following actions: a) acquire and maintain various licenses; b) compliance with local ordinances and state laws; c) maintain complete books of account, which shall comply with requirements of any governmental agency including all Federal Communications commission (FCC) regulations; d),provide an annual budget to Signet, addressing all operating activities, including a reserve for repairs, refurbishment, and replacements to maintain the premises and equipment in good condition; e) make no expenditures other than those items provided in an annual budget; f) maintain books and records to be made available to Signet representatives; g) have complete creative control and authority to determine all matters concerning decor, design, arrangement, format and all production presentations including creative design, absolute control and discretion with respect to the operation of the premises; and h) be responsible for all necessary and proper insurances safeguarding against all reasonably foreseeable risks on a replacement cost basis of coverage to both parties , the business and its assets.

Upon Signet's raising the necessary required funding through a secondary offering, Signet will begin funding the working capital requirements of Triple Play for a share of Triple Play's profit. The working capital commitment is based on mutually agreed budgets and is projected to amount approximately $15 million. This advance of management fees would be drawn down by Triple Play over approximately the first 12 months of its operations which would begin once Signet has access to the secondary offering funding. This advance will be recovered by Signet from Triple Play's future cash flows. In return, Signet will receive 87.5 % of Triple Play's monthly gross revenues less Triple Play's monthly operating expenses.

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Signet International Holdings, Inc. and Subsidiary
(a development stage enterprise)
Notes to Consolidated Financial Statements - Continued
June 30, 2006 and 2005

Note J - Commitments - Continued

Triple Play Management Agreement - continued

For the services, Triple Play shall render to Signet, Signet shall pay management fees to Triple Play based upon Triple Play's gross revenues, as follows: a) 12% of Triple Play's gross revenues, provided that Triple Play realizes a minimum pre tax net profit of 25%, plus b) 1/2% (one half percent) of Triple Play's gross revenues for Triple Play's costs of licenses and permits for international air waves and feeds duties and taxes, satellite transmission links, down links, including earth stations. The fees in a) and b), noted above, shall become due from Signet within 90 days after the close of each calendar year based on a determination by independently prepared Certified Public Accountants' reports. These reports will account for advances Signet has made.

Triple Play's Chief Executive Officer, Richard Grad, one of Signet's founding shareholders, will be paid by Signet, a signing bonus of $50,000 upon the funding of a future Signet offering. Signet will also pay to Mr. Grad the following annual compensation during the entire term of this agreement, including extensions thereto: 1) a guaranteed annual salary of $200,000.(Two Hundred Thousand), per year payable at the beginning of each month at the rate of twelve equal installments and will be subsequently deducted from each annual management fee settlement noted above; 2) an allowance of $1,500 for moving and relocation expenses and 3) ordinary and reasonable employee benefits related to health insurance. It is specifically noted that Mr. Grad will function solely as an independent contractor representing Triple Play and will not be construed as a Signet employee.

Big Vision Management Contract

On July 22, 2005, Signet Entertainment entered into a Management Agreement with Big Vision Studios, a Nevada Limited Liability Company (Big Vision) located in both Las Vegas, Nevada and Burbank, California whereby Big Vision will be the exclusive supplier of High Definition Equipment and Studio rental for Signet. This agreement is for a period of one (1) year, commencing with the submission by Signet's of evidence of the total capital funds required for the establishment of Signet's Network including providing funds for the budgeted operations of the business for the term of this agreement plus extensions to Big Vision, with an automatic extension of an additional five years unless the dissenting parry gives proper notice. Signet agrees to pay a fee to Big Vision on a most favored nation basis for the first year of Signer's operations. After the initial year, Signet agrees to pay Big Vision at the industry standard rates plus and additional 15% in consideration of Big Vision's concession in rates for the first year. Signet has agreed to continue paying the industry rates plus 15% for as long as this agreement is in place. All fees will be paid as they become due and payable according to Big Vision's requirements.

Broadcast Property Acquisition

On April 13, 2006, Signet executed a Letter of Agreement to Purchase with Freehawk Productions, Inc. of Royal Palm Beach, Florida whereby Signet would acquire 20 original one-half hour screenplays and four (4) additional episodes per screenplay for a total of 100 separate broadcast properties to be delivered over a 36-month period from April 13, 2006. The agreed-upon purchase price for the total 20 one half-hour ready-to-air shows and the accompanying supplemental 80 one half- hour ready-to-air episodes is $3,000,000.00. This price includes all of the rights, title and privileges related to the ownership of said broadcast properties. On August 19, 2006, by mutual agreement, Signet and Freehawk rescinded this Agreement and intend to enter into a restructured agreement in a future period.

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Part I - Item 2

Management's Discussion and Analysis of Financial Condition and Results of Operations

(1) Caution Regarding Forward-Looking Information

Certain statements contained in this quarterly filing, including, without limitation, statements containing the words "believes", "anticipates", "expects" and words of similar import, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include, among others, the following: international, national and local general economic and market conditions: demographic changes; the ability of the Company to sustain, manage or forecast its growth; the ability of the Company to successfully make and integrate acquisitions; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other factors referenced in this and previous filings.

Given these uncertainties, readers of this Form 10-QSB and investors are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

(2) Results of Operations, Liquidity and Capital Resources or Plan of Operation

General discussion and Plan of Operation

We were incorporated in the State of Delaware under the name 51142 Inc. on February 2, 2005 as a blank check company to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions. On July 8, 2005, pursuant to the terms of a Stock Purchase Agreement, Signet Entertainment Corporation, a Florida corporation, purchased all of our issued and outstanding common stock for cash consideration of $36,000. Subsequently, we changed our name to Signet International Holdings, Inc. Pursuant to the agreement, Signet Entertainment became our wholly owned subsidiary.

Our wholly owned subsidiary, Signet Entertainment was incorporated on October 17, 2003 for the purpose of launching a Gaming and Entertainment Television Network. We expect to cover major Poker and Blackjack tournaments as well as other major high stakes casino games, although we - or any of our partners - have not entered any formal agreements to do so. The network will also cover other major sports events such as horse racing and selected global events which have a sports and entertainment format we believe will appeal to our viewers including: sports awards ceremonies; entertainment awards ceremonies; celebrity sports events; celebrity gaming events; and other interesting and newsworthy events, foreign and domestic.

Signet Entertainment's largest source of revenue will come from advertising, specifically from various resorts and casinos, liquor and tobacco companies and sporting sites in North and South America, Europe, Asia and Africa. We will cover all of our events including poker and other casino tournaments via satellite and cable, once satellite and cable contracts have been executed. Signet Entertainment will also realize income from infomercials and sports and entertainment programming that offer subject matter that are all-encompassing to the network's format. Signet Entertainment intends creating future programming to include "The Television Charity Channel" which will feature regularly scheduled weekly programming.

In order to launch its gaming and entertainment television network, Signet Entertainment entered into agreements with Triple Play Media Management, Inc. ("Triple Play") and Big Vision, Inc. ("Big Vision"). Pursuant to the agreements, Triple Play will operate our facilities and provide programming content while Big Vision will provide the equipment and technology to establish the production facility.

Triple Play has developed conceptual content as scripts or treatments. Production of this programming in contingent upon the funding. As such, Triple Play is not obligated to deliver this programming to us at any time certain. Triple Play has not yet made formal arrangements with any other domestic or foreign production company to uplink or to receive any programming. Further, Triple Play has not entered into any agreement with any casino business or entity, or any agreements to air any tournaments. Our agreement provides that with funding, Triple Play will organize, develop and operate a fully equipped production footprint (home base), and direct, produce and edit, gather and cover live newsworthy events from the Las Vegas area. With the use of modular (TV equipment truck), and satellite delivery systems, Triple Play will uplink the news reels and we will broadcasts these to other communities in the USA and abroad. Likewise, other production companies will be able to uplink their news reels to Triple Play.

On April 13, 2006, we executed a Letter of Agreement to Purchase with Freehawk Productions, Inc. of Royal Palm Beach, Florida whereby Signet would acquire 20 original one-half hour screenplays and four (4) additional episodes per screenplay for a total of 100 separate broadcast properties to be delivered over a 36-month period from April 13, 2006. The agreed-upon purchase price for the total 20 one half-hour ready-to-air shows and the accompanying supplemental 80 one half- hour ready-to-air episodes is $3,000,000.00. This price includes all of the rights, title and privileges related to the ownership of said broadcast properties. On August 19, 2006, by mutual agreement, Signet and Freehawk rescinded this Agreement and intend to enter into a restructured agreement in a future period.

Furthermore, we intend to acquire Low-Powered Television (LPTV) stations as a means for distributing our programming to viewers. LPTV stations offer national advertisers highly defined audiences. The LPTV service was established by the Federal Communications Commission (FCC) in 1982 and was primarily intended to provide opportunities for locally oriented television service in small communities within larger urban areas. LPTV stations transmit on one of the standard VHF or UHF television channels. The distance at which a station can be viewed depends on a variety of factors such as: antenna height, transmitter power, transmitting antenna and the nature of the terrain. Generally LPTV stations span approximately 20 miles from their tower in all directions. We plan on targeting LPTV stations that are sanctioned by the Federal Communication Commission with current and clear license to operate and feature: Class A rating, high-distribution (high number of TV households), favorable market location, up-to-date equipment, tower delivery systems, and studio properties. We have not entered into any negotiations or agreements, preliminary or otherwise, to purchase such stations.

In the last quarter of fiscal year 2006, we expect to begin implementation of that part of our business plan relating to the acquisition for stock of LPTV stations. Although no revenues have been generated to date, we expect that with the first acquisition of an LPTV will come first revenues. Directors fees and any cash costs for this and other acquisitions in fiscal 2006 will be met from the funds made available by our private placement completed in May 2006.

It is the intent of management and significant stockholders, if necessary, to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. Although we have verbal assurances from Mr. Letiziano that he will provide such interim working capital, there is no legal obligation for either management or significant stockholders to provide additional future funding. We may raise additional funds through public offerings of equity, securities convertible into equity or debt, private offerings of securities.

Concurrent with our acquiring other LPTV stations for stock through first quarter of 2007 we intend to seek additional equity or debt financing. To date we have been able to raise funds in two funding rounds through both debt and equity offerings. We anticipate that the funds we secure from our next round will enable us to purchase additional LPTV stations, some with a cash consideration, and provide additional working capital to enable us to possibly acquire some stations making losses, purchase more programming, and initiate Triple Play Media operations. Cash costs for this phase of our plan will include: $25,000 related to the funding round plus up to $30 million to support the acquisitions of more LPTV stations, plus up to $15 million to support Triple Play. This phase of our plan will continue throughout 2007.

We believe we can satisfy our cash requirements for our operations over the next twelve months with our current cash reserves. The cash balance at June 30, 2006 was approximately $204,000. We anticipate for the next 12 months, excluding the costs of any LPTV station acquisitions, our operational as well as general and administrative expenses excluding any consolidated costs from our profitable LPTV subsidiaries will total $126,000. We anticipate that will be able to cover these expenses with our current cash reserves. The components that went into our determination of required on going expenses include the following monthly costs:

Accounting fees	$ 2,000
Legal fees	3,500
General & administrative expenses	2,500
Travel and surveys	1,500
Other expenses	1,000
Total	$10,500

The foregoing represents our best estimate of our cash needs based on current planning and business conditions. The exact allocation, purposes and timing of any monies raised in subsequent funding rounds may vary significantly depending upon the exact amount of funds raised and status of the implementation of our business plan when these funds are raised.

We are a developmental-stage company and have not yet commenced operations. We will require additional funds to implement our business plan. There is no assurance that we will be able to obtain additional funding through the sales of additional equity securities or that such funding, if available, will be obtained on terms favorable to or affordable by us.

In the absence of additional funding, we may not be able to purchase some of the stations we have identified. Even without significant new funding later this year or early 2007, we still anticipate being able to acquire some profitable

LPTV stations for stock and consolidate both their revenues and earnings.

Apart from building the board of directors, and employees of LPTV stations we acquire as subsidiaries we do not expect any significant changes in the number of employees.

No revenues have been generated to date. We expect limited revenues with our initial LPTV acquisitions increasing as we raise additional funds and acquired more stations. Therefore we will continue to operate on a reduced budget until such time as further funding becomes available. However, there can be no guarantee that we will ever generate any revenues.

Because we have no viable operations we are dependent upon significant shareholders to provide sufficient working capital to maintain the integrity of the corporate entity, our independent auditor has expressed substantial doubt about the company's ability to continue as a going concern.

Six month periods ended June 30, 2006 and 2005

The Company had no revenue for either of the respective six month periods ended June 30, 2006 and 2005, respectively.

General and administrative expenses for each of the six month periods ended June 30, 2006 and 2005 were approximately $243,000 and $55,000, respectively. Included in the June 30, 2006 expenditures is the effect of a June 22, 2006 issuance of 250,000 shares of unregistered, restricted common stock, valued at $0.50 per share or $125,000, in payment of consulting fees. As the agreed-upon value of the services provided was less than the "fair value" of comparable transactions, the Company recognized a non-cash charge to operations equivalent to the difference between the established "fair value" of $1.00 per share (as determined by the pricing in the September 2005 Private Placement Memorandum) and the agreed-upon value of $0.50 per share as "Compensation expense related to common stock sold at less than "fair value".

During June and July 2005, the Company received funds totaling approximately $90,000, through a promissory note, to support operations. This borrowing was repaid in full, including accrued interest of $9,000, on June 30, 2006. Interest expense on these borrowed funds totaled approximately $4,436 for the six months ended June 30, 2006.

Net loss for the three months ended June 30, 2006 and 2005, respectively, were approximately $(424,,000) and $(55,000). Earnings per share for the respective three month periods ended June 30, 2006 and 2005 was approximately $(0.11) and $(0.02) as calculated on the respective weighted-average shares issued and outstanding at the end of each six month period.

The Company does not expect to generate any meaningful revenue or incur operating expenses for purposes other than fulfilling the obligations of a reporting company under The Securities Exchange Act of 1934 unless and until such time that the Company's operating subsidiary begins meaningful operations.

At June 30, 2006 and 2005, respectively, the Company had working capital of approximately $102,000 and $(35,000), exclusive of accrued officers compensation.

It is the intent of management and significant stockholders, if necessary, to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. However, there is no legal obligation for either management or significant stockholders to provide additional future funding. Should this pledge fail to provide financing, the Company has not identified any alternative sources. Consequently, there is substantial doubt about the Company's ability to continue as a going concern.

The Company's need for capital may change dramatically as a result of any business acquisition or combination transaction. There can be no assurance that the Company will identify any such business, product, technology or company suitable for acquisition in the future. Further, there can be no assurance that the Company would be successful in consummating any acquisition on favorable terms or that it will be able to profitably manage the business, product, technology or company it acquires.

Item 3 - Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), as of January 31, 2005. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to our Company required to be included in our reports filed or submitted under the Exchange Act.

(b) Changes in Internal Controls

There were no significant changes (including corrective actions with regard to significant deficiencies or material weaknesses) in our internal controls over financial reporting that occurred during the second quarter of Calendar 2006 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1 - Legal Proceedings

None

Item 2 - Recent Sales of Unregistered Securities and Use of Proceeds

On September 9, 2005, the Company commenced the sale of common stock pursuant to a Private Placement Memorandum in a self-underwritten offering. This Memorandum is offering for sale to persons who qualify as accredited investors and to a limited number of sophisticated investors, on a best efforts basis, up to 2,000,000 of our common shares at $1.00 per share, for anticipated gross proceeds of $2,000,000. The common shares will be offered through the Company's officers and directors on a best-efforts basis. The minimum investment is $1,000, however, the Company might, at it's sole discretion, accept subscriptions for lesser amounts. Funds received from all subscribers will be released to the Company upon acceptance of the subscriptions by the Company's management. During the quarter ended June 30, 2006, the Company sold an additional 15,000 shares for gross proceeds of $15,000 pursuant to this Private Placement Memorandum. Through June 30, 2006, the Company has sold a cumulative 381,000 shares for gross proceeds of $381,000 to a various investors under this Private Placement Memorandum.

The net remaining proceeds of above transactions remain in the Company's bank accounts as of June 30, 2006 and are to be used in future periods for working capital purposes.

Item 3 - Defaults on Senior Securities

None

Item 4 - Submission of Matters to a Vote of Security Holders

The Company has held no regularly scheduled, called or special meetings of shareholders during the reporting period.

Item 5 - Other Information

None

Item 6 - Exhibits and Reports on Form 8-K

Exhibits
31.1Certification pursuant to Section 302 of Sarbanes-Oxley Act of 2002
32.1Certification pursuant to Section 906 of Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Signet International Holdings, Inc.

Dated: August 19, 2006

/s/ Ernest W. Letiziano
Ernest W. Letiziano
President and Director