

CHINA FIRE & SECURITY GROUP, INC.
Form 10QSB
May 15, 2007

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark one)

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

For the Quarterly Period Ended March 31, 2007

or

Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 000-50491

China Fire & Security Group, Inc.
(Name of small business issuer in its charter)

Florida
(State or other jurisdiction
of incorporation or organization)

65-1193022
(I.R.S. Employer
Identification No.)

South Banbidian Industrial Park
Liqiao Township, Shunyi District
Beijing 101304
People's Republic of China
(Address of principal executive offices)

101304
(Zip Code)

Issuer's telephone number: (86-10) 8416 3816.

Check whether the issuer (1) has 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 No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).
Yes No

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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

As of May 14, 2007, the Registrant had 26,461,678 shares of common stock outstanding.

China Fire & Security Group, Inc.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

CHINA FIRE & SECURITY GROUP, INC. AND SUBSIDIARIES
(FORMERLY KNOWN AS UNIPRO FINANCIAL SERVICES, INC.)CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2007 AND DECEMBER 31, 2006

	<u>A S S E T S</u>	
	March 31, 2007 Unaudited	December 31, 2006
CURRENT ASSETS:		
Cash	\$ 9,921,357	\$ 9,426,091
Restricted cash	733,079	1,622,833
Accounts receivable, net of allowance for doubtful accounts of \$1,372,329 and \$1,252,947 as of March 31, 2007 and December 31, 2006, respectively	14,679,031	13,262,040
Accounts receivable - related party	336,433	333,056
Notes receivable	984,200	903,425
Other receivables	1,338,849	785,111
Other receivables - related party	90,920	90,008
Inventories	3,549,366	4,190,830
Costs and estimated earnings in excess of billings	9,846,489	9,020,122
Employee advances	1,999,290	1,648,560
Prepayments and deferred expenses	2,931,053	2,396,571
Total current assets	46,410,067	43,678,647
PLANT AND EQUIPMENT, net	3,669,210	3,529,808
OTHER ASSETS:		
Deferred expenses - non current	-	40,830
Investment in Tianjin Fire Safety Equipment Co. Ltd.	506,371	501,288
Intangible assets - land use right, net of accumulated amortization	560,554	558,255
Total other assets	1,066,925	1,100,373
Total assets	\$ 51,146,202	\$ 48,308,828
<u>L I A B I L I T I E S A N D S H A R E H O L D E R S ' E Q U I T Y</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 4,830,955	\$ 5,796,979
Accounts payable - related party	-	320,754
Customer deposits	5,193,027	2,713,451
Billings in excess of costs and estimated earnings	6,886,639	8,867,624
Other payables	620,901	388,434

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Other payables - related party	523	50,523
Accrued liabilities	2,139,075	1,891,628
Taxes payable	159,084	619,949
Total current liabilities	19,830,204	20,649,342
DERIVATIVE INSTRUMENT LIABILITIES	1,846,648	2,680,811
COMMITMENTS AND CONTINGENCIES	-	-
SHAREHOLDERS' EQUITY:		
Common stock, \$0.001 par value, 65,000,000 shares authorized, 26,461,678 shares issued and outstanding	26,462	26,462
Additional paid-in-capital	13,458,171	13,393,171
Statutory reserves	3,728,127	3,728,127
Retained earnings	10,895,509	6,765,393
Accumulated other comprehensive income	1,361,081	1,065,522
Total shareholders' equity	29,469,350	24,978,675
Total liabilities and shareholders' equity	\$ 51,146,202	\$