

WESTSPHERE ASSET CORP INC
Form 10QSB
November 14, 2002

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: September 30, 2002

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 0-32051

WESTSPHERE ASSET CORPORATION, INC.

(Exact name of small business issuer
as specified in its charter)

COLORADO	98-0233968
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1528-9th Ave S.E.

Calgary, Alberta Canada T2G 0T7

Telephone (403) 290-0264
(Issuer's telephone number)

NOT APPLICABLE

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

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 No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the last practicable date:

28,473,140 shares of Common Stock, no par value, as of October 31, 2002.

Transitional Small Business Disclosure Format

(check one): Yes No X

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WESTSPHERE ASSET CORPORATION, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Page

Consolidated Financial Statements:

Consolidated Balance Sheet	3
Consolidated Statements of Operations	4 to 5
Consolidated Statement of Cash Flows	6
Notes to Financial Statements	7 to 8

WESTSPHERE ASSET CORPORATION, INC.

Consolidated Balance Sheet

<i>ASSETS</i>		September 30, 2002 <i>(Unaudited)</i>		December 31, 2001 Restated (Note 1)
CURRENT ASSETS				
Cash and cash equivalents	\$	163,143	\$	134,004
Accounts receivable		206,146		144,924
Current portion of long term receivable - related party		7,202		7,145
Inventory		163,384		116,060
Prepaid expense and deposit		86,334		11,623
Current portion of mortgage receivable		35,735		35,452
Total current assets		661,944		449,208
Property and equipment, net of \$78,947 and \$128,842 depreciation		286,996		380,686
Patent and trademarks, net of \$2,628 and \$2,357 amortization		92,299		91,568
Mortgage receivable		260,072		280,053
Deferred site development costs, net of \$23,882 and \$16,255 amortization		12,713		20,179
Non-current loans and in-house financial receivables		90,102		92,686
Future tax benefits		2,373		2,354
Other investments		168,031		3
Total assets	\$	1,574,530	\$	1,316,737

LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable	\$	381,505	\$	375,755
Deposit payable		412		67,016
Current portion of debenture payable		--		16,969
Income tax payable		--		3,153
Total current liabilities		381,917		462,893
Minority interests				
Minority interests		1,349		1,323
Shareholder loan - related parties		207,098		50,280
Convertible debentures		91,844		166,338
Non-current lease obligation		14,214		2,578
Total liabilities		696,422		683,412
COMMITMENTS AND CONTINGENCIES				
		--		--
STOCKHOLDERS' EQUITY				
Common stock - authorized 75,000,000 shares, no par value; 28,473,140 shares issued and outstanding at September 30, 2002 and 20,268,027 at December 31, 2001		1,235,573		934,332
Common stock warrants		190,285		190,285
Accumulated other comprehensive income		(38,499)		(38,311)
Accumulated deficit		(509,251)		(452,981)
Total stockholders' equity		878,108		624,259

Total liabilities and stockholders' equity	\$	1,574,530		1,316,737
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3

WESTSPHERE ASSET CORPORATION, INC.

Consolidated Statements of Operations
For the Three Months Ended September 30, 2002, and 2001
(Unaudited)

		2002		2001 (Note 1)
Revenue				
Sales	\$	788,677	\$	217,561
Financing income		--		5,505
Consulting fee income		--		5,438
Total revenue		788,677		228,504
Cost of goods sold		518,283		