

WESTSPHERE ASSET CORP INC
Form 10QSB
November 14, 2003

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, 2003

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)

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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:

29,564,640 shares of Common Stock, no par value, as of October 28, 2003.

Transitional Small Business Disclosure Format
(check one): Yes No

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WESTSPHERE ASSET CORPORATION, INC.

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September 30, 2003

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| WESTSPHERE ASSET CORPORATION, INC. Consolidated Balance Sheets | | | | |
|---|----|--------------------------------------|----|----------------------------------|
| ASSETS | | September 30, 2003 (Unaudited) | | December 31, 2002 (Note 1) |
| CURRENT ASSETS | | | | |
| Cash | \$ | 103,033 | \$ | 138,219 |

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| | | | | |
|---|----|-----------|----|-----------|
| Accounts receivable net of \$17,560 allowance for doubtful accounts at September 30, 2003 and \$16,806 at December 31, 2002 | | 142,052 | | 277,933 |
| Accounts receivable - related parties | | 183,061 | | 30,990 |
| Current portion of finance receivables | | 7,398 | | 7,209 |
| Inventory | | 141,709 | | 235,165 |
| Prepaid expense and deposit | | 38,870 | | 51,579 |
| Current portion of mortgage receivable | | 41,673 | | 35,771 |
| Total current assets | | 657,796 | | 776,866 |
| | | | | |
| Property and equipment, net | | 294,634 | | 269,284 |
| Intellectual property | | 115,035 | | 100,082 |
| Mortgage receivable | | 239,205 | | 246,803 |
| Deferred site development costs | | 9,636 | | 10,180 |
| Loans - related parties | | 166,516 | | 114,943 |
| Finance receivables | | -- | | 3,771 |
| Future tax benefits | | 29,309 | | 25,159 |
| Other investments | | 165,119 | | 164,024 |
| | | | | |
| Total assets | \$ | 1,677,250 | \$ | 1,711,112 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | |
| | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts payable | \$ | 124,898 | \$ | 618,079 |
| Accounts payable, related parties | | 234,523 | | 48,490 |

| | | | | |
|---|----|-----------|--|-----------|
| Deposits payable | | 274 | | 647 |
| Bank loan | | 165,321 | | -- |
| Total current liabilities | | 525,016 | | 667,216 |
| | | | | |
| Shareholder loans | | 244,858 | | 206,921 |
| Convertible debentures | | 107,104 | | 91,937 |
| Non-current lease obligation | | 8,947 | | 13,507 |
| Total liabilities | | 885,925 | | 979,581 |
| | | | | |
| Minority interest in subsidiaries | | 9,377 | | 10,162 |
| | | | | |
| COMMITMENTS AND CONTINGENCIES | | | | |
| | | | | |
| STOCKHOLDERS' EQUITY | | | | |
| Common stock - authorized 75,000,000 shares, no par value; 19,564,640 shares issued and outstanding at September 30, 2003 and 28,568,140 at December 31, 2002 | | 1,289,799 | | 1,250,256 |
| Common stock warrants | | 190,285 | | 190,285 |
| Accumulated other comprehensive income | | 96,810 | | (28,335) |
| Accumulated deficit | | (794,946) | | (690,837) |
| Total stockholders' equity | | 781,948 | | 721,369 |
| | | | | |
| Total liabilities and stockholders' equity | \$ | 1,677,250 | | 1,711,112 |

The accompanying notes are an integral part of these statements.

| |
|--|
| |
|--|

WESTSPHERE ASSET CORPORATION, INC.
Consolidated Statements of Operations
For the Three Months Ended September 30, 2003 and 2002
(Unaudited)

| | | 2003 | | 2002 |
|---------------------------------------|----|---------|----|---------|
| Revenue - | | | | |
| Equipment and supplies | \$ | 118,472 | \$ | 408,459 |
| Residual and interchange income | | 533,795 | | 334,039 |
| Other | | 27,758 | | 43,438 |
| Total revenue | | 680,025 | | 785,936 |
| Cost of sales - | | | | |
| Equipment and supplies | | 144,004 | | 350,020 |
| Residual and interchange costs | | 277,509 | | 148,936 |
| Commissions | | 2,643 | | 22,175 |
| Other | | 15,879 | | 11,331 |
| Total cost of sales | | 440,035 | | 532,462 |
| Gross profit | | 239,990 | | 253,474 |
| Administrative expenses - | | | | |
| Depreciation and amortization | | 12,102 | | 5,778 |
| Consulting fees | | 27,889 | | 3,588 |
| Legal and accounting fees | | 6,559 | | 12,353 |
| Salaries and benefits | | 158,714 | | 98,044 |
| Travel, delivery and vehicle expenses | | 43,240 | | 39,942 |
| Other | | 82,363 | | 53,127 |

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| | | | | |
|---|----|------------|----|------------|
| Total administrative expenses | | 330,867 | | 212,832 |
| | | | | |
| Income (loss) from operations | | (90,877) | | 40,624 |
| | | | | |
| Other income - | | | | |
| Interest income | | 5,228 | | 3,788 |
| Interest expense | | (12,944) | | (6,333) |
| Gain on asset sales | | -- | | -- |
| | | | | |
| Net income (loss) before income taxes | | (98,593) | | 38,097 |
| | | | | |
| Provision for income taxes | | 4,349 | | -- |
| | | | | |
| Net income (loss) | \$ | (94,244) | \$ | 38,097 |
| | | | | |
| Net income per common share | \$ | nil | \$ | nil |
| | | | | |
| Weighted number of shares outstanding | | 29,564,640 | | 20,834,696 |
| | | | | |
| | | | | |
| | | | | |
| Other comprehensive income: | | | | |
| Net income (loss) | \$ | (94,244) | \$ | 38,097 |
| Foreign currency translation adjustment | | (2,675) | | (26,162) |
| Total comprehensive income | \$ | (96,919) | \$ | 11,935 |

The accompanying notes are an integral part of these statements.

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| WESTSPHERE ASSET CORPORATION, INC. Consolidated Statements of Operations For the Nine Months Ended September 30, 2003 and 2002 (Unaudited) | | | | |
|---|----|-----------|----|-----------|
| | | 2003 | | 2002 |
| Revenue - | | | | |
| Equipment and supplies | \$ | 518,352 | \$ | 905,503 |
| Residual and interchange income | | 1,368,932 | | 909,290 |
| Other | | 94,415 | | 115,549 |
| Total revenue | | 1,981,699 | | 1,930,342 |
| Cost of sales - | | | | |
| Equipment and supplies | | 470,215 | | 782,697 |
| Residual and interchange costs | | 684,509 | | 381,726 |
| Commissions | | 8,479 | | 38,650 |
| Other | | 28,113 | | 36,146 |
| Total cost of sales | | 1,191,316 | | 1,239,219 |
| Gross profit | | 790,383 | | 691,123 |
| Administrative expenses - | | | | |
| Depreciation and amortization | | 30,932 | | 55,809 |
| Consulting fees | | 114,565 | | 65,270 |
| Legal and accounting fees | | 41,428 | | 50,142 |
| Salaries and benefits | | 409,121 | | 277,942 |

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| | | | | |
|---------------------------------------|----|------------|----|------------|
| Travel, delivery and vehicle expenses | | 105,452 | | 109,568 |
| Other | | 211,315 | | 202,610 |
| Total administrative expenses | | 912,813 | | 761,341 |
| | | | | |
| (Loss) from operations | | (122,430) | | (70,218) |
| | | | | |
| Other income - | | | | |
| Interest income | | 21,657 | | 27,037 |
| Interest expense | | (34,319) | | (13,087) |
| Gain on asset sales | | 30,983 | | -- |
| | | | | |
| Net (loss) before income taxes | | (104,109) | | (56,268) |
| | | | | |
| Provision for income taxes | | -- | | -- |
| | | | | |
| Net (loss) | \$ | (104,109) | \$ | (56,268) |
| | | | | |
| Net (loss) per common share | \$ | nil | \$ | nil |
| | | | | |
| Weighted number of shares outstanding | | 28,966,740 | | 21,164,365 |
| | | | | |
| | | | | |
| | | | | |
| Other comprehensive income (loss): | | | | |
| Net (loss) | \$ | (104,109) | \$ | (56,268) |

| | | | | |
|---|----|---------|----|----------|
| Foreign currency translation adjustment | | 125,145 | | (188) |
| Total comprehensive income (loss) | \$ | 21,036 | \$ | (56,456) |

The accompanying notes are an integral part of these statements.

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| WESTSPHERE ASSET CORPORATION, INC. | | | | |
|---|----|-----------|----|-----------|
| Consolidated Statements of Cash Flows | | | | |
| For the Nine Months Ended September 30, 2003 and 2002 | | | | |
| (Unaudited) | | | | |
| | | 2003 | | 2002 |
| Cash flows from operating activities: | | | | |
| Net (loss) from operations | \$ | (104,109) | \$ | (56,268) |
| Reconciling adjustments - | | | | |
| Common shares and warrants issued for expenses | | 4,645 | | 46,894 |
| Depreciation and amortization | | 30,932 | | 61,522 |
| Gain on sale of assets | | (30,983) | | -- |
| Other non-cash transactions | | 694 | | -- |
| Changes in operating assets and liabilities | | | | |
| Accounts receivable | | 7,554 | | (60,380) |
| Inventory | | 132,251 | | (43,299) |
| Prepaid expenses and other | | 21,218 | | (75,010) |
| Accounts payable and accrued liabilities | | (389,242) | | (29,465) |
| Net cash provided by (used for) operations | | (327,040) | | (156,006) |
| Cash flows from investing activities: | | | | |
| Purchase of equipment | | (62,104) | | (130,908) |
| Disposal of equipment | | 26,826 | | 174,290 |

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| | | | | |
|---|----|----------|----|----------|
| Collection on loans receivable | | 48,311 | | -- |
| Other investments | | 5,927 | | (73,193) |
| Net cash provided by (used for) investing activities | | 18,960 | | (29,811) |
| | | | | |
| Cash flows from financing activities: | | | | |
| Issuance of debt | | 235,318 | | 181,522 |
| Repayment of debt | | (15,175) | | -- |
| Net cash provided by financing activities | | 220,143 | | 181,522 |
| | | | | |
| Foreign currency translation adjustment | | 52,751 | | 33,434 |
| Net change in cash and cash equivalents | | (35,186) | | (29,139) |
| Cash and cash equivalents at beginning of period | | 138,219 | | 134,004 |
| Cash and cash equivalents at end of period | \$ | 103,033 | \$ | 163,143 |
| | | | | |
| Supplemental schedule of cash flow information | | | | |
| Interest paid in cash | \$ | 2,798 | \$ | -- |
| Income taxes paid in cash | \$ | -- | \$ | -- |
| | | | | |
| Supplemental schedule of noncash investing and financing activities | | | | |
| Stock and options issued for investment in subsidiary | \$ | -- | \$ | 66,258 |
| Debt repaid by issuing stock | \$ | -- | \$ | 188,089 |

The accompanying notes are an integral part of these statements.

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Note 1 - Financial Statements

The accompanying consolidated financial statements included herein have been prepared by Westsphere Asset Corporation, Inc. (the "Company") without audit, pursuant to the rules and regulations of the Securities and Exchange Commission for reporting on Form 10-QSB. Certain information and footnote disclosure normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted as allowed by such rules and regulations, and Westsphere Asset Corporation, Inc. believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the December 31, 2002 audited financial statements and the accompanying notes thereto contained in the Annual Report on Form 10-KSB filed with the Securities and Exchange Commission. While management believes the procedures followed in preparing these financial statements are reasonable, the accuracy of the amounts are in some respects dependent upon the facts that will exist, and procedures that will be accomplished by Westsphere Asset Corporation, Inc. later in the year. The results of operations for the interim periods are not necessarily indicative of the results of operations for the full year. In management's opinion all adjustments necessary for a fair presentation of the Company's financial statements are reflected in the interim periods included.

Note 2 - Common Stock

During the nine months ended September 30, 2003, the Company issued an additional 996,500 shares of its common stock at an average price of \$0.035 for settlement of accrued interest and salaries.

Note 3 - Settlement of debt

During the nine months ended September 30, 2003, the Company settled debt in the amount of \$50,965 by exchanging a 5% interest in Trac POS Processing, Inc. This reduced the Company's holding in Trac POS Processing, Inc. to 31% of the outstanding shares of Trac POS Processing, Inc.

Note 4 - Bank loan

During May 2003, the Company's subsidiary, Westsphere Financial Group, Ltd. borrowed CAD\$250,000 (US\$185,000) from a bank. The loan bears interest at the bank's prime rate plus 2% (currently 6.75%). The loan is secured by the assets of the subsidiary, and is also guaranteed by the Company's subsidiary Vencash Capital Corporation and Douglas N. Mac Donald, President/CEO.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

During the three (3) month period of operations ended September 30, 2003, Westsphere and its subsidiaries generated a net loss from operations of \$90,877, while net income from operations of \$40,624 were realized for the same period from the previous year. The total revenue earned during the third quarter of year 2003 decreased by \$105,911 to \$680,025 from total revenue earned during the same period from the previous year of \$785,936. This decrease in revenue was primarily due to an a significant drop in sales of equipment and supplies, partially offset by an increase in residual and interchange income. The drop in sales of equipment and supplies was due to the introduction of a new program, Rent-to-Own, whereby Westsphere's subsidiary Vencash collects monthly rent payments plus applicable taxes. The increase in residual and interchange income was due to the discovery program which was introduced in the latter part of the year 2002 and partially from sales during the year. Westsphere's gross margin has increased from 32% to 35%. Westsphere's total administrative expenses for the third quarter of 2003 increased to \$330,867 from \$212,836 from the previous year. Most of such increase was caused by an increase in total cost of salaries and benefits from \$98,044 to a total of \$158,714. The increase in salaries and benefits is due to hiring additional sales and marketing staffs to promote new marketing programs and additional administrative staffs to handle the increase in volume of transactions and paperwork There was also an increase in consulting fees from the third quarter of year 2002 from \$3,588 to a total of \$27,889 during the third quarter of year 2003, which was due to new management

contracts to officers of the company. Other expenses also increased from the third quarter of year 2002 of \$53,127 to \$82,363 during the third quarter of year 2003, which was primarily due to promotion materials and increase in travel expenses to promote new programs.

Results of Operations - Nine Month Period

During the nine (9) month period ended September 30, 2003, Westsphere and its subsidiaries generated a net loss from operations of \$104,109, while net loss from operations of \$56,268 were realized for the same period from the previous year. The total revenue earned for the nine (9) month period of year 2003 increased by \$51,357 to \$1,981,699 from total revenue earned during the same period from the previous year of \$1,930,342. This increase in revenue was primarily due to a drop in sales of equipment and supplies, partially offset by an increase in residual and interchange income. The increase in residual and interchange income mainly came from the results of the discovery program which was introduced at the end of year 2002. The decrease in sales of equipment and supplies was due to a slow down in sales during the first six (6) month period and the new marketing program - Rent-To-Own which was introduced in the third quarter, whereby Westsphere's subsidiary Vencash collects monthly rent payments plus applicable taxes. Westsphere's gross margin has increased from 36% to 40%. Westsphere's total administrative expenses for the nine (9) month period of year 2003 increased to \$912,813 from \$761,341 from the previous year. This increase was mainly caused by an increase in total cost of salaries and benefits from \$277,942 to \$409,121. The increase in salaries and benefits is due to the hiring of additional sales and marketing staff to promote new marketing programs, and additional administrative staff to handle the increase in the volume of transactions and paperwork. There was also an increase in consulting fees from \$65,270 for the nine (9) month period of the year 2002 to \$114,565 during the nine (9) month period of year 2003, which is due to new management contracts to officer of the company commencing April 1, 2003. Other expenses also increased from \$202,610 for the nine (9) month period of year 2002 to \$211,315 for the nine (9) month period of year 2003, which was primarily due to promotional materials and travel expenses to promote new programs.

Westsphere and its subsidiaries currently generate sufficient cash flow to cover all of its consolidated operating expenses. During the three month period of operations ended September 30, 2003, Westsphere's subsidiary Vencash raised \$36,668 by way of a demand loan from an existing shareholder of Westsphere, with interest accruing at the rate of 15% per annum on the outstanding balance. The purpose of the loan was to cover a Vencash short term payable.

In order to grow Westsphere's businesses of ATM machines, Financing/Leasing and POS machines, Westsphere is dependent upon private placements, loans and/or joint venture arrangements. Westsphere's profit is expected to be generated by the surcharges collected from ATM machines, the sale of ATM machines, sale of POS machines and the collection of Finance/Lease charges.

Changes in Financial Position

During the nine (9) month period ended September 30, 2003, Westsphere's total assets decreased to \$1,677,250 from \$1,711,112 as at December 31, 2002. This decrease is primarily due to decrease in inventory on hand. As of September 30, 2003, Westsphere's current liabilities totaled \$525,016 and consisted of accounts payable of \$124,898 to suppliers for the purchase of ATM machines and POS machines, accounts payable to related parties in the amount of \$234,523, a bank loan in the amount of \$165,321 and \$274 due for deposits payable. Long-term liabilities as at September 30, 2003 consist of \$107,104 in convertible debentures, \$244,858 in shareholders loan and non-current lease obligations of \$8,947.

Shareholders' equity as of September 30, 2003 was \$781,948, inclusive of an accumulated loss from operations of \$794,946, as compared to shareholders equity of \$721,369 as of December 31, 2002. Total issued and outstanding share capital as of the period ended September 30, 2003 was 29,564,640 common shares as compared to a total of

28,568,140 common shares as of December 31, 2002.

REPORT OF MANAGEMENT'S RESPONSIBILITY

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Within 90 days prior to the date of this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon the foregoing, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures are effective in connection with the filing of this Quarterly Report on Form 10-Q for the quarter ended September 30, 2003.

There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any significant deficiencies or material weaknesses of internal controls that would require corrective action.

Prior to the filing date of this quarterly report, the Company had not adopted a complete set of written policies, controls and procedures. The Company is now developing such written document and expects that in the process of such undertaking it will discover internal control policies and practices that the Company should implement and follow that are not part of its current practice.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2.

CHANGES IN SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

On April 1, 2003, Westsphere entered into a written agreement with Douglas MacDonald to continue to serve as Westsphere's President and Chief Executive Officer for two years. Pursuant to the terms of this agreement, Mr. MacDonald will be paid \$13,187 per year, payable in twelve equal monthly installments. Mr. McDonald will receive

additional compensation under Westsphere's Executive Compensation/Bonus Plan. Mr. MacDonald will also receives full medical, dental and health benefits paid by Westsphere and an expense account.

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Mr. MacDonald and his corporation, MacDonald & Associates Gaming Specialists Inc. also entered into agreements with Westsphere's subsidiaries, Westsphere Financial Ltd. and Vencash Capital Corporation, to provide Mr. MacDonald's services of Chief Executive Officer to such subsidiaries for two years. Vencash Capital Corporation will pay Mr. MacDonald's corporation \$32,967 per year in twelve equal installments, along with an expense account and participation in the Vencash Executive Compensation/Bonus Plan. Westsphere Financial Ltd. will pay Mr. MacDonald's corporation \$28,571 per year in twelve equal monthly installments, an expense account, participation in Westsphere Financial Ltd's Executive Compensation/Bonus Plan and \$110 per month in an office accommodation and reimbursement for telephone, facsimile and internet services supplied to Westsphere Financial Ltd. by Mr. MacDonald's corporation. Westsphere Financial Ltd. will also provide Mr. MacDonald a vehicle allowance of \$0.33 per kilometer, full medical, dental and health benefits and a living accommodation while working in the Calgary area in an amount mutually acceptable to all parties.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- Exhibits - See Exhibit Index below.
- Reports on Form 8-K - none.

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.

WESTSPHERE ASSET CORPORATION, INC.

By: /s/ Douglas MacDonald

Name: Douglas MacDonald

Title: President

Date: November 14, 2003

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Kim Law

Name: Kim Law

Title: Principal Financial Officer and Accounting Officer

Date: November 14, 2003

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| <u>Exhibit Number</u> | <u>Description</u> | <u>Reference</u> |
|-----------------------|---|---|
| 3.1(i) | Articles of Incorporation filed and all amendments thereto filed with the Secretary of the State of Colorado July 21, 1998 | Incorporated by reference to the Exhibits filed with the Registrant's Annual Report on Form 10-KSB for the period ended December 31, 2000 |
| 3(i)(a) | By-Laws of Westsphere Asset Corporation, Inc. | Incorporated by reference to the Exhibits filed with the Registrant's Annual Report on Form 10-KSB for the period ended December 31, 2000 |
| 3(i)(b) | By-Laws of Vencash Capital Corporation | Incorporated by reference to the Exhibits filed with the Registrant's Annual Report on Form 10-KSB for the period ended December 31, 2000 |
| 4 | Specimen Stock Certificate | Incorporated by reference to the Exhibits filed with the Registrant's Annual Report on Form 10-KSB for the period ended December 31, 2000 |
| 10.1 | Agreement dated December, 1998 by and between Westsphere Asset Corporation, Inc. and 3 Ocean Investment Corporation | Incorporated by reference to the Exhibits filed with the Registrant's Annual Report on Form 10-KSB for the period ended December 31, 2000 |
| 10.2 | Share Exchange Agreement dated December 7, 1998 by and between Westsphere Asset Corporation, Inc. MacDonald Venture Corporation, Mr. Joseph Bowser and Mr. Robert L. Robins | Incorporated by reference to the Exhibits filed with the Registrant's Annual Report on Form 10-KSB for the period ended December 31, 2000 |
| 10.3 | | |

| | | |
|-------|---|---|
| | Sample Conversion Agreement by and among Westsphere Asset Corporation, Inc. and various shareholders of Vencash Capital Corporation | Incorporated by reference to the Exhibits filed with the Registrant's Annual Report on Form 10-KSB for the period ended December 31, 2000 |
| 10.4 | ABS Processing Agreement dated October 28, 19988 by and between Vencash Capital Corporation and TNS Smart Network Inc. | Incorporated by reference to the Exhibits filed with the Registrant's Annual Report on Form 10-KSB for the period ended December 31, 2000 |
| 10.5 | Agreement dated June 24, 1999 by and between Vencash Capital Corporation and TCS (Canada) Limited | Incorporated by reference to the Exhibits filed with the Registrant's Annual Report on Form 10-KSB for the period ended December 31, 2000 |
| 10.6 | Sample Convertible Debenture issued by Westsphere Asset Corporation, Inc. in connection with the offering of \$105,600 convertible debentures | Incorporated by reference to the Exhibits filed with the Registrant's Annual Report on Form 10-KSB for the period ended December 31, 2000 |
| 10.7 | Sample Loan Agreement and Promissory Note between Westsphere Asset Corporation, Inc. and various investors | Incorporated by reference to the Exhibits filed with the Registrant's Annual Report on Form 10-KSB for the period ended December 31, 2000 |
| 10.8 | Loan Agreement between Westsphere Asset Corporation, Inc. and the Canadian Western Bank | Incorporated by reference to the Exhibits filed with the Registrant's quarterly Report on Form 10-QSB for the period ended June 30, 2003 |
| 10.9 | Agreement dated April 1, 2003 between Douglas MacDonald and Westsphere Asset Corporation | Filed herewith |
| 10.10 | Agreement dated April 1, 2003 between Vencash Capital Corporation, Douglas MacDonald and MacDonald & Associates Gaming Specialists Inc. | Filed herewith |

- | | | |
|-------|---|----------------|
| 10.11 | Agreement dated April 1, 2003 between Westsphere Financial Group Ltd., Douglas MacDonald and MacDonald & Associates Gaming Specialists Inc. | Filed herewith |
| 31. | S302 Certifications | Filed herewith |
| 32. | Certification pursuant to 18USC Section 1350, as adapted pursuant to Section 906 of the Sarbones-Oxley Act of 2002 | Filed herewith |

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