

WESTSPHERE ASSET CORP INC  
Form 10QSB  
August 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: June 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

(State or other jurisdiction  
of incorporation or organization)

98-0233968

(IRS Employer  
Identification No.)

1528-9<sup>th</sup> 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:

29,564,640 shares of Common Stock, no par value, as of July 29, 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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June 30, 2003

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| WESTSPHERE ASSET CORPORATION, INC.<br>Consolidated Balance Sheets  |    |                                 |    |                                  |
|--|----|---------------------------------|----|----------------------------------|
| ASSETS   |    | June 30,<br>2003<br>(Unaudited) |    | December 31,<br>2002<br>(Note 1) |
| <b>CURRENT ASSETS</b>  |    |                                 |    |                                  |
| Cash   | \$ | 106,631                         | \$ | 138,219                          |
| Accounts receivable net of \$16,170 allowance for doubtful accounts at June 30, 2003 and \$16,806 at December 31, 2002 |    | 387,778                         |    | 277,933                          |

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|   |    |           |    |           |
|---|----|-----------|----|-----------|
| Accounts receivable - related parties       |    | 38,988    |    | 30,990    |
| Current portion of finance receivables      |    | 8,436     |    | 7,209     |
| Inventory                                   |    | 203,006   |    | 235,165   |
| Prepaid expense and deposit                 |    | 84,935    |    | 51,579    |
| Current portion of mortgage receivable      |    | 41,861    |    | 35,771    |
| Total current assets                        |    | 871,635   |    | 776,866   |
|   |    |           |    |           |
| Property and equipment, net                 |    | 275,526   |    | 269,284   |
| Intellectual property                       |    | 116,077   |    | 100,082   |
| Mortgage receivable                         |    | 256,637   |    | 246,803   |
| Deferred site development costs             |    | 10,424    |    | 10,180    |
| Loans - related parties                     |    | 161,001   |    | 114,943   |
| Finance receivables                         |    | 827       |    | 3,771     |
| Future tax benefits                         |    | 29,442    |    | 25,159    |
| Other investments                           |    | 164,554   |    | 164,024   |
|   |    |           |    |           |
| Total assets                                | \$ | 1,886,123 | \$ | 1,711,112 |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b> |    |           |    |           |
|   |    |           |    |           |
| <b>CURRENT LIABILITIES</b>                  |    |           |    |           |
| Accounts payable                            | \$ | 364,353   | \$ | 618,079   |
| Accounts payable, related parties           |    | 134,071   |    | 48,490    |
| Deposits payable                            |    | 275       |    | 647       |
| Bank loan                                   |    | 180,496   |    | --        |

|  |    |           |  |           |
|--|----|-----------|--|-----------|
| Total current liabilities  |    | 679,195   |  | 667,216   |
|  |    |           |  |           |
| Shareholder loans  |    | 204,278   |  | 206,921   |
| Convertible debentures   |    | 107,589   |  | 91,937    |
| Non-current lease obligation   |    | 10,935    |  | 13,507    |
| Total liabilities  |    | 1,001,997 |  | 979,581   |
|  |    |           |  |           |
| Minority interest in subsidiaries  |    | 9,904     |  | 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 June 30, 2003 and 28,568,140 at December 31, 2002 |    | 1,285,154 |  | 1,250,256 |
| Common stock warrants  |    | 190,285   |  | 190,285   |
| Accumulated other comprehensive income   |    | 99,485    |  | (28,335)  |
| Accumulated deficit  |    | (700,702) |  | (690,837) |
| Total stockholders' equity   |    | 874,222   |  | 721,369   |
|  |    |           |  |           |
| Total liabilities and stockholders' equity   | \$ | 1,886,123 |  | 1,711,112 |

The accompanying notes are an integral part of these statements.

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WESTSPHERE ASSET CORPORATION, INC.

*Consolidated Statements of Operations*

*For the Three Months Ended June 30, 2003 and 2002*  
*(Unaudited)*

|                                       |    | 2003    |    | 2002    |
|---------------------------------------|----|---------|----|---------|
| Revenue -                             |    |         |    |         |
| Equipment and supplies                | \$ | 199,283 | \$ | 347,865 |
| Residual and interchange income       |    | 468,671 |    | 297,945 |
| Other                                 |    | 38,001  |    | 27,769  |
| Total revenue                         |    | 705,955 |    | 673,579 |
| Cost of sales -                       |    |         |    |         |
| Equipment and supplies                |    | 148,038 |    | 267,112 |
| Residual and interchange costs        |    | 234,478 |    | 123,426 |
| Commissions                           |    | 1,892   |    | 7,140   |
| Other                                 |    | 6,970   |    | 18,199  |
| Total cost of sales                   |    | 391,378 |    | 415,877 |
| Gross profit                          |    | 314,577 |    | 257,702 |
| Administrative expenses -             |    |         |    |         |
| Depreciation and amortization         |    | 9,841   |    | 24,740  |
| Consulting fees                       |    | 16,498  |    | 18,344  |
| Legal and accounting fees             |    | 25,136  |    | 30,791  |
| Salaries and benefits                 |    | 139,280 |    | 45,993  |
| Travel, delivery and vehicle expenses |    | 32,859  |    | 33,236  |
| Other                                 |    | 58,904  |    | 87,889  |

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|   |    |            |    |            |
|---|----|------------|----|------------|
| Total administrative expenses           |    | 282,518    |    | 240,993    |
|   |    |            |    |            |
| Income from operations                  |    | 32,059     |    | 16,709     |
|   |    |            |    |            |
| Other income -                          |    |            |    |            |
| Interest income                         |    | 12,175     |    | 2,581      |
| Interest expense                        |    | (9,947)    |    | (5,485)    |
| Gain on asset sales                     |    | --         |    | --         |
|   |    |            |    |            |
| Net income before income taxes          |    | 34,287     |    | 13,805     |
|   |    |            |    |            |
| Provision for income taxes              |    | (2,145)    |    | --         |
|   |    |            |    |            |
| Net income                              | \$ | 32,142     | \$ | 13,805     |
|   |    |            |    |            |
| Net income per common share             | \$ | nil        | \$ | nil        |
|   |    |            |    |            |
| Weighted number of shares outstanding   |    | 29,564,640 |    | 21,592,960 |
|   |    |            |    |            |
|   |    |            |    |            |
| Other comprehensive income:             |    |            |    |            |
| Net income                              | \$ | 32,142     | \$ | 13,805     |
| Foreign currency translation adjustment |    | 72,084     |    | 27,623     |
| Total comprehensive income              | \$ | 104,226    | \$ | 41,428     |

The accompanying notes are an integral part of these statements.

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| WESTSPHERE ASSET CORPORATION, INC.                     |    |           |    |           |
|--|----|-----------|----|-----------|
| <i>Consolidated Statements of Operations</i>           |    |           |    |           |
| <i>For the Six Months Ended June 30, 2003 and 2002</i> |    |           |    |           |
| <i>(Unaudited)</i>                                     |    |           |    |           |
|  |    | 2003      |    | 2002      |
| Revenue -  |    |           |    |           |
| Equipment and supplies                                 | \$ | 399,880   | \$ | 497,044   |
| Residual and interchange income                        |    | 835,137   |    | 575,251   |
| Other  |    | 66,657    |    | 43,662    |
| Total revenue  |    | 1,301,674 |    | 1,115,957 |
| Cost of sales -  |    |           |    |           |
| Equipment and supplies                                 |    | 326,211   |    | 432,678   |
| Residual and interchange costs                         |    | 407,000   |    | 232,791   |
| Commissions  |    | 5,836     |    | 16,475    |
| Other  |    | 12,234    |    | 24,815    |
| Total cost of sales                                    |    | 751,281   |    | 706,759   |
| Gross profit   |    | 550,393   |    | 409,198   |
| Administrative expenses -                              |    |           |    |           |
| Depreciation and amortization                          |    | 18,830    |    | 50,032    |
| Consulting fees  |    | 86,676    |    | 61,682    |

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|                                       |    |            |    |            |
|---------------------------------------|----|------------|----|------------|
| Legal and accounting fees             |    | 34,869     |    | 37,790     |
| Salaries and benefits                 |    | 250,407    |    | 179,899    |
| Travel, delivery and vehicle expenses |    | 62,212     |    | 69,625     |
| Other                                 |    | 129,171    |    | 149,481    |
| Total administrative expenses         |    | 582,165    |    | 548,509    |
|                                       |    |            |    |            |
| (Loss) from operations                |    | (31,772)   |    | (139,311)  |
|                                       |    |            |    |            |
| Other income -                        |    |            |    |            |
| Interest income                       |    | 16,429     |    | 51,698     |
| Interest expense                      |    | (21,375)   |    | (6,754)    |
| Gain on asset sales                   |    | 30,983     |    | --         |
|                                       |    |            |    |            |
| Net (loss) before income taxes        |    | (5,735)    |    | (94,367)   |
|                                       |    |            |    |            |
| Provision for income taxes            |    | (4,130)    |    | --         |
|                                       |    |            |    |            |
| Net (loss)                            | \$ | (9,865)    | \$ | (94,367)   |
|                                       |    |            |    |            |
| Net (loss) per common share           | \$ | nil        | \$ | nil        |
|                                       |    |            |    |            |
| Weighted number of shares outstanding |    | 29,190,953 |    | 21,164,365 |
|                                       |    |            |    |            |
|                                       |    |            |    |            |
|                                       |    |            |    |            |



|   |    |         |    |          |
|---|----|---------|----|----------|
| Other comprehensive income (loss):      |    |         |    |          |
| Net (loss)                              | \$ | (9,865) | \$ | (94,367) |
| Foreign currency translation adjustment |    | 127,820 |    | 25,921   |
| Total comprehensive income (loss)       | \$ | 117,955 | \$ | (68,446) |

The accompanying notes are an integral part of these statements.

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| WESTSPHERE ASSET CORPORATION, INC.                     |    |           |    |           |
|--|----|-----------|----|-----------|
| <i>Consolidated Statements of Cash Flows</i>           |    |           |    |           |
| <i>For the Six Months Ended June 30, 2003 and 2002</i> |    |           |    |           |
| <i>(Unaudited)</i>                                     |    |           |    |           |
|  |    | 2003      |    | 2002      |
| Cash flows from operating activities:                  |    |           |    |           |
| Net (loss) from operations                             | \$ | (9,865)   | \$ | (94,367)  |
| Reconciling adjustments -                              |    |           |    |           |
| Common shares and warrants issued for expenses         |    | 3,395     |    | 46,894    |
| Depreciation and amortization                          |    | 18,830    |    | 50,043    |
| Gain on sale of assets                                 |    | (30,983)  |    | --        |
| Other non-cash transactions                            |    | 1,602     |    | --        |
| Changes in operating assets and liabilities            |    |           |    |           |
| Accounts receivable                                    |    | (75,366)  |    | (79,826)  |
| Inventory  |    | 62,122    |    | (40,224)  |
| Prepaid expenses and other                             |    | (26,784)  |    | (113,546) |
| Accounts payable and accrued liabilities               |    | (229,474) |    | 36,273    |
| Net cash provided by (used for) operations             |    | (286,523) |    | (194,753) |

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|   |    |          |    |           |
|---|----|----------|----|-----------|
|   |    |          |    |           |
| Cash flows from investing activities:                               |    |          |    |           |
| Purchase of equipment   |    | (18,885) |    | (123,316) |
| Disposal of equipment   |    | 18,643   |    | 161,872   |
| Repayments of loans receivable                                      |    | 20,080   |    | --        |
| Other investments   |    | (31,413) |    | (86,411)  |
| Net cash (used for) investing activities                            |    | (11,575) |    | (47,855)  |
|   |    |          |    |           |
| Cash flows from financing activities:                               |    |          |    |           |
| Issuance of debt  |    | 185,529  |    | 181,044   |
| Repayment of debt   |    | (5,033)  |    | --        |
| Net cash provided by financing activities                           |    | 180,496  |    | 181,044   |
|   |    |          |    |           |
| Foreign currency translation adjustment                             |    | 86,014   |    | (4,649)   |
| Net change in cash and cash equivalents                             |    | (31,588) |    | (66,213)  |
| Cash and cash equivalents at beginning of period                    |    | 138,219  |    | 134,004   |
| Cash and cash equivalents at end of period                          | \$ | 106,631  | \$ | 67,791    |
|   |    |          |    |           |
| Supplemental schedule of cash flow information                      |    |          |    |           |
| Interest paid in cash   | \$ | 1,062    | \$ | --        |
| Income taxes paid in cash   | \$ | --       | \$ | --        |
|   |    |          |    |           |
| Supplemental schedule of noncash investing and financing activities |    |          |    |           |
| Stock and options issued for investment in subsidiary               | \$ | --       | \$ | 66,258    |
|   |    |          |    |           |

The accompanying notes are an integral part of these statements.

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WESTSPHERE ASSET CORPORATION, INC.

Notes to Financial Statements

June 30, 2003 and 2002

(Unaudited)

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 six months ended June 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 six months ended June 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 June 30, 2003, Westsphere and its subsidiaries generated net income of \$32,142, while income from operations of \$13,805 were realized for the same period from the previous year. The total revenue earned during the second quarter of year 2003 increased by approximately \$32,376 to \$705,955 from total revenue earned during the same period from the previous year of \$673,579. This increased revenue was primarily due to an increase in residual and interchange income. Westsphere's gross margin has increased from 38% to 45%. The total cost of salaries and benefits also increased from the second quarter of year 2002 from \$45,993 to a total of \$139,280 during the second quarter of year 2003. The increase in salaries and benefits is due to the settlement of employee contracts totaling \$39,270 in the second quarter of year 2002 and an addition to sales and marketing and service personnel to support the increase in total revenue. There was a decrease in consulting fees from the second quarter of year 2002 from \$18,344 to a total of \$16,498 during the second quarter of year 2003, which is due to a decrease in equipment sales. Other expenses also decreased from the second quarter of year 2002 of \$87,889 to \$58,904 during the second quarter of year 2003, which was primarily due to a decrease in sales and marketing and office and administrative costs related to lower sales and placement in the market during the second quarter of year 2003 as compared to the second quarter of year 2002.

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 June 30, 2003, Westsphere raised \$185,000 from a bank to pay down its accounts payable. The loan is a demand loan with a maximum term of 48 months with monthly payments of \$3,865.00, bears interest at prime plus two (2%) and is repayable at any time without penalty. The Company's President and CEO, Douglas N. MacDonald has provided his unlimited liability personal guarantee for the loan.

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 three (3) month period ended June 30, 2003, Westsphere's total assets increased to \$1,886,123 from \$1,711,112 as at December 31, 2002. This increase is primarily due to the increase in accounts receivable, prepaid expenses and loan receivables. As of June 30, 2003, Westsphere's current liabilities totaled \$679,195 and consisted of accounts payable of \$364,353 to suppliers for the purchase of ATM machines and POS machines, accounts payable to related parties in the amount of \$134,071, a bank loan in the amount of \$180,496 and \$275 due for deposits payable. Long-term liabilities as at June 30, 2003 consist of \$107,589 in convertible debentures, \$204,278 in shareholders loan and non-current lease obligations of \$10,935.

Shareholders' equity as of June 30, 2003 was \$874,222, inclusive of an accumulated loss from operations of \$700,702, as compared to shareholders equity of \$721,369 as of December 31, 2002. Total issued and outstanding share capital as of the year ended June 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, 2002.

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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

None.

### 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: August 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: August 14, 2003

SECTION 302 CERTIFICATIONS

I, Doug Mac Donald, certify that:

1. I have reviewed this quarterly report of Westsphere Asset Corporation, Inc. (the "Registrant").
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report.
3. Based on my knowledge, the financial statement, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.
4. The Registrant's other certifying officer and I:

- are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant:

- we have designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the quarterly report is being prepared;

- we have evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

- we have presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation of the Evaluation Date;

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and to the Registrant's board of directors:

- all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weakness in internal controls; and

- any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls.

6. The Registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 14, 2003

By: /s/ Douglas MacDonald

Name: Douglas MacDonald

Title: President (Principal Executive Officer)

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I, Kim Law, certify that:

1. I have reviewed this quarterly report of Westsphere Asset Corporation, Inc. (the "Registrant").

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report.

3. Based on my knowledge, the financial statement, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

4. The Registrant's other certifying officer and I:

- are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant:

- we have designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the quarterly report is being prepared;

- we have evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

- we have presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation of the Evaluation Date;

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent function):

- all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weakness in internal controls; and

- any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls.

6. The Registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 14, 2003

By: /s/ Kim Law

Name: Kim Law

Title: Vice President (Principal Accounting Officer)

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CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES - OXLEY ACT OF 2002

In connection with the Quarterly Report of Westsphere Asset Corporation, Inc. (the "Company") on Form 10-QSB for the period ending June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the



"Report"), I, Douglas MacDonald, President/CEO of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Douglas MacDonald

Name: Douglas MacDonald

Title: President/CEO

Dated: August 14, 2003

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CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES - OXLEY ACT OF 2002

In connection with the Quarterly Report of Westsphere Asset Corporation, Inc. (the "Company") on Form 10-QSB for the period ending June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kim Law, Vice-President of Finance and CFO of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kim Law

Name: Kim Law

Title: Vice-President of Finance/CFO

Dated: August 14, 2003

| <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  | *                |
| 3(i)(a)               | By-Laws of Westsphere Asset Corporation, Inc.   | *                |
| 3(i)(b)               | By-Laws of Vencash Capital Corporation  | *                |
| 4                     | Specimen Stock Certificate  | *                |
| 10.1                  | Agreement dated December, 1998 by and between Westsphere Asset Corporation, Inc. and 3 Ocean Investment Corporation   | *                |
| 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 | *                |
| 10.3                  | Sample Conversion Agreement by and among Westsphere Asset Corporation, Inc. and various shareholders of Vencash Capital Corporation   | *                |
| 10.4                  | ABS Processing Agreement dated October 28, 1998 by and between Vencash Capital Corporation and TNS Smart Network Inc.   | *                |
| 10.5                  | Agreement dated June 24, 1999 by and between Vencash Capital Corporation  | *                |

and TCS (Canada) Limited

- |      |   |                |
|------|---|----------------|
| 10.6 | Sample Convertible<br>Debenture issued by<br>Westsphere Asset<br>Corporation, Inc. in<br>connection with the offering<br>of \$105,600 convertible<br>debentures | *              |
| 10.7 | Sample Loan Agreement and<br>Promissory Note between<br>Westsphere Asset<br>Corporation, Inc. and various<br>investors  | *              |
| 10.8 | Loan Agreement between<br>Westsphere Asset<br>Corporation, Inc. and the<br>Canadian Western Bank  | Filed herewith |

\* Previously filed as Exhibits for the Registrant's Annual Report on Form 10-KSB April 26, 2001