

Edgar Filing: COVENTURE INTERNATIONAL INC - Form 10QSB

COVENTURE INTERNATIONAL INC
Form 10QSB
March 17, 2003

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 January 31, 2003

Commission File Number: 0-31539

COVENTURE INTERNATIONAL INC.
(Exact name of small business issuer as specified in its charter)

Delaware ----- (Jurisdiction of Incorporation)	98-0231607 ----- (I.R.S. Employer Identification No.)
--	--

Suite 174, 3559 - 27th Street N.E.
Calgary, Alberta, Canada T1Y 5E4

(Address of principal executive office) (Zip Code)

Registrant's telephone number, including area code: (403) 949-5621

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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

As of March 11, 2003 the Company had 6,718,200 shares of common stock issued and outstanding.

Coventure International Inc.

Edgar Filing: COVENTURE INTERNATIONAL INC - Form 10QSB

(formerly Liquidpure Corp.)
(a development stage enterprise)
Consolidated Financial Statements
January 31, 2003 and January 31, 2002
(Unaudited)

Coventure International Inc.
(formerly Liquidpure Corp.)
(a development stage enterprise)
Consolidated Balance Sheets

(expressed in U.S. dollars)

ASSETS

	January 31, 2003	July 31, 2002

	(Unaudited)	
CURRENT		
Cash	\$ 556	\$ 232
Accounts receivable	2,152	1,259

	2,708	1,491

PROPERTY, PLANT AND EQUIPMENT, at cost (Note 2)		
Computer equipment	583	875
Less: accumulated depreciation	145	109

	438	766

	\$ 3,146	\$ 2,257
	=====	

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 57,933	\$ 16,035
Customer deposits	657	-
Advances from stockholder (Note 5)	10,000	10,000
Note payable (Note 3)	6,681	-

	75,271	26,035

STOCKHOLDERS' EQUITY (DEFICIT)		
Share capital (Note 4)		
Common stock - \$0.0001 par value 30,000,000 authorized; 6,718,200 issued and outstanding	672	672
Preferred stock - \$0.0001 par value 5,000,000 authorized		

Edgar Filing: COVENTURE INTERNATIONAL INC - Form 10QSB

Additional paid-in capital	63,310	63,310
Deficit accumulated in the development stage	(136,107)	(87,760)
	-----	-----
	(72,125)	(23,778)
	-----	-----
	\$ 3,146	\$ 2,257
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

Coventure International Inc.
 (formerly Liquidpure Corp.)
 (a development stage enterprise)
 Consolidated Statements of Operations
 For the Three-Month and Six-Month Periods Ended
 January 31, 2003 and January 31, 2002
 (Unaudited)
 (expressed in U.S. dollars)

	Three Months Ended January 31, 2003	Three Months Ended January 31, 2002	Six Months Ended January 31, 2003	Six Months Ended January 31, 2002	Period From March 31, 1999 (date of incorporation to January 31, 2003	Peri Ma (da inco to J
Revenue	\$ 3,971	\$ -	\$ 3,971	\$ -	\$ 6,649	
Expenses						
Professional fees	36,674	-	-	67,535	11,820	
Consulting	4,500	-	9,000	-	23,350	
Management fees	1,190	1,258	1,190	1,258	22,695	
Administration	2,319	1,669	2,754	2,059	21,112	
Advertising and promotion	272	-	272	-	5,336	
Sub-contract	1,595	-	1,595	-	1,595	
Write-off of impaired Asset (Note 5)	-	-	-	1,000	1,000	
Gain on sale of equipment	-	-	(48)	-	(48)	
Depreciation	36	-	72	-	181	
	-----	-----	-----	-----	-----	
	46,586	2,927	52,318	4,317	142,756	
	-----	-----	-----	-----	-----	
Loss from Operations	\$ (42,615)	\$ (2,927)	\$ (48,347)	\$ (4,317)	\$ (136,107)	\$

Edgar Filing: COVENTURE INTERNATIONAL INC - Form 10QSB

Loss per Share-				
Basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)

The accompanying notes are an integral part of these financial statements.

Coventure International Inc.
 (formerly Liquidpure Corp.)
 (a development stage enterprise)
 Consolidated Statements of Cash Flows
 For the Six-Month Periods Ended
 January 31, 2003 and January 31, 2002
 (Unaudited)

(expressed in U.S. dollars)

	Six Months Ended January 31, 2003	Six Months Ended January 31, 2002	Period From March 31, 1999 (date of incorporation) to January 31, 2003	Period From March 31, 1999 (date of incorporation) to January 31, 2002
Cash flows used in operating activities				
Net loss for the period	\$ (48,347)	\$ (4,317)	\$ (136,107)	\$ (32,727)
Adjustments to reconcile net loss to net cash used in operating activities				
Depreciation	72	-	181	-
Write-off of impaired asset	-	1,000	1,000	1,000
Gain on sale of equipment	(48)	-	(48)	-
Changes in operating assets and liabilities				
Accounts receivable	(893)	-	(2,152)	-
Accounts payable	41,898	(1,367)	57,933	1,862
Customer deposits	657	-	657	-
Net cash used in operating activities	(6,661)	(4,684)	(78,536)	(29,865)
Investing activities				
Proceeds on sale of equipment	304	-	304	-
Purchase of license	-	-	(1,000)	(1,000)
Purchase of property, plant and	-	-	(875)	-

Edgar Filing: COVENTURE INTERNATIONAL INC - Form 10QSB

equipment

Net cash provided by (used in) investing activities	304	-	(1,571)	(1,000)
Financing activities				
Increase in note payable	6,681	-	6,681	-
Advances from stockholder	-	7,500	10,000	7,500
Issuance of share capital	-	-	63,982	26,482
Net cash provided by financing activities	6,681	7,500	80,663	33,982
Increase in cash during the period	324	2,816	556	3,117
Cash at beginning of period	232	301	-	-
Cash at end of period	\$ 556	\$ 3,117	\$ 556	\$ 3,117

The accompanying notes are an integral part of these financial statements.

Coventure International Inc.
 (formerly Liquidpure Corp.)
 (a development stage enterprise)
 Notes to Consolidated Financial Statements
 January 31, 2003
 (Unaudited)

(expressed in U.S. dollars)

1. FORMATION AND BUSINESS OF THE COMPANY

Coventure International Inc. (the "Company") was incorporated in Delaware, U.S.A. on March 31, 1999 as Bullet Environmental Systems, Inc. and changed its name on May 25, 2000 to Liquidpure Corp. On February 14, 2002, the Company changed its name to Coventure International Inc.

The Company is a development stage enterprise engaged in the business of providing management consulting products and services through an eventual network of regionally licensed operators in North America. The Company's services will include strategic analysis, planning, consulting and coaching. To date the Company has not commenced significant operational activities.

These financial statements include the accounts of the Company and its wholly-owned subsidiary Coventure Canada Inc. (the "Subsidiary"). The Subsidiary was incorporated in the Province of Alberta, Canada on February 5, 2002.

Going concern

The accompanying financial statements have been presented assuming the Company will continue as a going concern. At January 31, 2003, the Company

Edgar Filing: COVENTURE INTERNATIONAL INC - Form 10QSB

had accumulated \$136,107 in losses and had no material revenue producing operations. At present, the Company's ability to continue as a going concern is dependent upon its ability to raise additional capital, achieve profitable operations or merge with a revenue-producing venture partner.

2. SIGNIFICANT ACCOUNTING POLICIES

General Information

The accompanying unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles in the United States and Form 10-QSB requirements. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles financial statements. In the opinion of management, the accompanying interim financial statements contain all the adjustments (consisting of only normal recurring accruals) necessary to present fairly the Company's financial position as of January 31, 2003 and its results of operations and its cash flows for the six-month period ended January 31, 2003. The results of operations for the interim period are not necessarily indicative of the results to be expected for the fiscal year. For further information, refer to the Company's financial statements and related footnotes for the year ended July 31, 2002.

Coventure International Inc.
(formerly Liquidpure Corp.)
(a development stage enterprise)
Notes to Consolidated Financial Statements
January 31, 2003
(Unaudited)

(expressed in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue Recognition

The Company recognizes revenue in accordance with applicable accounting regulations. Accordingly, revenues from services are recognized when all significant contractual obligations have been satisfied and collection is reasonably assured.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between financial statement and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse.

Edgar Filing: COVENTURE INTERNATIONAL INC - Form 10QSB

Deferred tax assets are reduced by a valuation allowance in respect of amounts considered by management to be less likely than not of realization in future periods.

Foreign currency translation

Unless otherwise stated, all amounts are in United States dollars. The functional currency of the Company and its Subsidiary is the Canadian dollar. Hence, all asset and liability amounts denominated in Canadian dollars have been translated using the exchange rate as at January 31, 2003 and all expenses have been translated using the average exchange rate for each month. The rates used were as follows:

(equivalent Cdn \$ per U.S. \$)
January 31 rate .6572

Depreciation

Depreciation of property, plant and equipment is provided for on the straight-line basis over the estimated useful life of the assets, estimated to be four years. One-half the normal rate is taken in the year of acquisition.

3. NOTE PAYABLE

The note payable is payable on demand and bears no interest.

Coventure International Inc.
(formerly Liquidpure Corp.)
(a development stage enterprise)
Notes to Consolidated Financial Statements
January 31, 2003
(Unaudited)

(expressed in U.S. dollars)

4. SHARE CAPITAL

Holders of the common stock are entitled to one vote per share and share equally in any dividends declared and distributions on liquidation.

5. RELATED PARTY TRANSACTIONS

- a) The advances from a stockholder are interest-free and repayable on demand.
- b) In May 2000, the Company acquired a non-exclusive commercial license from a company controlled by a former director and officer of the Company for \$1,000. The Company experienced a lack of co-operation from the engineering firm who owned the patent to the apparatus under license. The Company was not provided with the technical information it required to start manufacturing any of the systems for which it was contractually permitted. Further, due to the capital market decline in 2001, it proved impossible to execute the business plan. As a result, in October 2001, the Company abandoned this license.
- c) During the six-month period ended January 31, 2003, the Company paid management fees of \$1,190 (2002 - \$1,258) to a director and officer of the Company. These transactions have been recorded at the exchange amount.

Edgar Filing: COVENTURE INTERNATIONAL INC - Form 10QSB

Accounts payable include \$3,543 (2002 - \$195) due to the same director and officer.

6. FINANCIAL INSTRUMENTS AND CONCENTRATIONS OF CREDIT RISK

The Company's financial instruments consist of cash, accounts receivable, accounts payable, note payable and advances from stockholder. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

Item 2. Management's Discussion and Analysis or Plan of Operations

The Company plans to provide consulting services to small and medium sized businesses in North America through a network of regionally licensed operators. The consulting services will be designed to improve a client's profitability through strategic analysis, planning, consulting and ongoing evaluation. The Company's core services will attempt to identify inefficiencies and trouble spots in a business before they cause significant problems.

The Company has tested the Coventure Analysis methodologies on a mid-sized firm located in Calgary, Alberta. The results proved that the methodology for assessing business dysfunction was sound, however the Company is refining the process of presenting the results to its client. The Company's website, www.coventure.com became active in May 2002.

The Company has not commenced significant operational activities, however, it is providing consulting services to clients in the local Calgary, Alberta region. The Company will be able to expand consulting services once it raises \$100,000 in capital. Of this amount, \$50,000 will be used to hire and train the analysts and consultants which will provide these services to future clients and \$50,000 will be used to market the Company's products, services, and licensing program. The Company does not know when it will obtain the \$100,000 in capital. The Company's initial focus will be on the development of Canadian and American markets.

During the six months ended January 31, 2003 the Company's operations used \$6,661 in cash. Operating capital was provided from consulting fees received for services provided to clients and a loan from a third party.

This report contains certain forward-looking statements. The Company wishes to advise readers that actual results may differ substantially from such forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements, including, but not limited to ability of the Company to meet its cash and working capital needs, the ability of the Company to maintain its existence as a viable entity, and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission.

Item 3. Not applicable

Edgar Filing: COVENTURE INTERNATIONAL INC - Form 10QSB

Item 4. Controls And Procedures

Based on the evaluation of the Company's disclosure controls and procedures by John Hromyk, the Company's President, Principal Financial Officer and Principal Accounting Officer, as of a date within 90 days of the filing date of this quarterly report, such officers have concluded that the Company's disclosure controls and procedures are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time period specified by the Securities and Exchange Commission's rules and forms.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II: OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibits - None
- (b) Reports on Form 8-K - None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this Form 10-QSB Report for the Quarterly Period ended January 31, 2003, has been signed below by the following person on behalf of the Registrant and in the capacity and on the date indicated.

Dated: March 17, 2003

COVENTURE INTERNATIONAL INC.

/s/ John Hromyk

By: John Hromyk
Title: President, Principal Financial
Officer and Principal Accounting Officer

CERTIFICATION

In connection with the Quarterly Report of Coventure International Inc. (the "Company") on Form 10-QSB for the period ending January 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Hromyk, the President, Principal Financial Officer and Principal Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to

Edgar Filing: COVENTURE INTERNATIONAL INC - Form 10QSB

the best of my knowledge:

- (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 the Company.

Date: March 17, 2003

By: /s/ John Hromyk

John Hromyk, President, Principal
Financial Officer and Principal Accounting
Officer

CERTIFICATION

I, John Hromyk, certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB of Coventure International Inc.;
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 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 statements, 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. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant, and I have:
 - a. 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 this quarterly report is being prepared;
 - b. 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
 - c. presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

Edgar Filing: COVENTURE INTERNATIONAL INC - Form 10QSB

5. I have disclosed, based on my most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent function):
- a. 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 weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and
6. 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: March 17, 2003

/s/ John Hromyk

John Hromyk, President, Principal
Financial Officer and Principal
Accounting Officer