COVENTURE INTERNATIONAL INC
Form 10QSB
March 22, 2004

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, 2004

Commission File Number: 0-31539

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

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

404 First Street West, Unit 3
Cochrane, Alberta, Canada T4C 1A5
(Address of principal executive office) (Zip Code)

Registrant's telephone number, including area code: (403) 851-2600

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 [x] No [ ]

As of March 15, 2004 the Company had 7,022,200 shares of common stock issued and outstanding.

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

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

(expressed in U.S. dollars)

ASSETS

	January 31, 2004 (Unaudited)	July 31, 2003
CURRENT		
Cash	$ 53	$ 4,992
Accounts receivable	30,529	-
Prepaid expenses and deposits	1,641	824
	32,223	5,816
PROPERTY, PLANT AND EQUIPMENT, at cost (Note 2)		
Furniture and equipment	15,729	583
Leasehold improvements	6,186	-
	21,915	583
Less: accumulated depreciation	1,753	218
	20,162	365
	$ 52,385	$ 6,181

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

	January 31, 2004	July 31, 2003
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 24,452	$ 14,238
Advances from stockholder (Note 4)	10,000	10,000
Deferred revenue	59,419	-
Current portion of loan payable to stockholder (Note 4)	1,314	-
	95,185	24,238
LOAN PAYABLE TO STOCKHOLDER (Note 4)	24,905	-
	120,090	24,238
STOCKHOLDERS' EQUITY (DEFICIT)		
Share capital (Note 3) Common stock - $0.0001 par value 30,000,000 authorized; 7,022,200 issued and outstanding (July 31, 2003 - 6,974,200)	702	697
Preferred stock - $0.0001 par value		

5,000,000 authorized		
Additional paid-in capital	139,280	127,285
Deficit accumulated in the development stage	(207,687)	(146,039)
	(67,705)	(18,057)
	$ 52,385	$ 6,181

COMMITMENTS (Note 6)

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

Coventure International Inc.
(a development stage enterprise)
Consolidated Statements of Operations
For the Three-Month and Six-Month Periods Ended
January 31, 2004 and January 31, 2003
(Unaudited)

(expressed in U.S. dollars)

	Three Months Ended January 31, 2004	Three Months Ended January 31, 2003	Six Months Ended January 31, 2004	Six Months Ended January 31, 2003	Period From March 31, 1999 (date of incorporation to January 31, 2004	P in
Revenue	$ 22,829	$ 3,971	$ 32,416	$ 3,971	$ 49,882	$
Expenses						
Professional fees	5,750	36,674	12,750	37,483	93,396	
Management fees	18,476	1,190	31,391	1,190	55,101	
Administration	14,413	2,319	21,138	2,754	47,018	
Consulting fees	-	4,500	-	9,000	18,850	
Advertising and promotion	7,538	272	11,585	272	17,227	
Sub-contract	8,231	1,595	9,575	1,595	16,902	
Commissions	3,149	-	6,090	-	6,090	
Write-off of impaired Asset	-	-	-	-	1,000	
Bad debts	-	-	-	-	244	
Gain on sale of equipment	-	-	-	(49)	(49)	
Depreciation	1,180	36	1,535	73	1,790	
	58,737	46,586	94,064	52,318	257,569	
Loss from Operations	$ (35,908)	$ (42,615)	$ (61,648)	$(48,347)	$(207,687)	$

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

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

Coventure International Inc.
(a development stage enterprise)
Consolidated Statements of Cash Flows
For the Six-Month Periods Ended
January 31, 2004 and January 31, 2003
(Unaudited)

(expressed in U.S. dollars)

	Six Months Ended January 31, 2004	Six Months Ended January 31, 2003	Period From March 31, 1999 (date of incorporation) to January 31, 2004	Period F March 3 1999 (date of incorporat to Januar 2003
Cash flows used in operating activities				
Net loss for the period	$ (61,648)	$ (48,347)	$ (207,687)	$ (136,
Adjustments to reconcile net loss to net cash used in operating activities				
Depreciation	1,535	73	1,790	
Write-off of impaired asset	-	-	1,000	1,
Gain on sale of equipment	-	(49)	(49)	
Changes in operating assets and liabilities				
Accounts receivable	(30,529)	(893)	(30,529)	(2,
Prepaid expenses and deposits	(817)	-	(1,641)	
Accounts payable	10,214	41,898	24,452	57,
Deferred revenue	59,419	-	59,419	
Customer deposits	-	657	-	6
Net cash used in operating activities	(21,826)	(6,661)	(153,245)	(78,5
Investing activities				
Proceeds on sale of equipment	-	304	304	3
Purchase of license	-	-	(1,000)	(1,0
Purchase of property, plant and equipment	(21,332)	-	(22,207)	(8
Net cash provided by (used in)	(21,332)	304	(22,903)	(1,5

Financing activities				
Increase in loan payable to stockholder	26,219	-	26,219	
Increase in note payable	-	6,681	-	6,6
Advances from stockholder	-	-	10,000	10,0
Issuance of share capital	12,000	-	139,982	63,9
Net cash provided by financing activities	38,21	96,681	176,201	80,
Increase in cash during the period	(4,939)	324	53	5
Cash at beginning of period	4,992	232	-	
Cash at end of period	$ 53	$ 556	$ 53	$ 5

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

Coventure International Inc.
(a development stage enterprise)
Notes to Consolidated Financial Statements
January 31, 2004
(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 include accounting, tax, planning and consulting.

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, 2004, the Company had accumulated $207,687 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, 2004 and its results of operations and its cash flows for the six-month period ended January 31, 2004. 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, 2003.

Coventure International Inc.
(a development stage enterprise)
Notes to Consolidated Financial Statements
January 31, 2004
(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. 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, 2004 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 .7548

Depreciation

Depreciation of property, plant and equipment is provided for on the straight-line basis over the estimated useful life of the assets at the following rates:

Furniture and equipment	25%
Leasehold improvements	33%

One-half the normal rate is taken in the year of acquisition.

Coventure International Inc.
(a development stage enterprise)
Notes to Consolidated Financial Statements
January 31, 2004
(Unaudited)

(expressed in U.S. dollars)

3. 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.

During the six-month period ended January 31, 2004, the Company issued 48,000 shares of common stock at a price of $0.25 per share.

4. RELATED PARTY TRANSACTIONS

a) The advances from a stockholder are interest-free and repayable on demand.

b) During the six-month period ended January 31, 2004, the Company paid management fees of $1,190 (2003 - $1,190) to a director and officer of the Company. In addition, management fees of $4,414 (2003 - $ 0) have been paid to the spouse of this director and officer. These transactions have been recorded at the exchange amount. Accounts payable include $3,041 (2003 -$3543) due to the same director and officer.

c) Details of the loan payable to stockholder are as follows:

	January 31, 2004	July 31, 2003
Interest at 14.75%, unsecured monthly payments of $415 including principal and interest, remaining unpaid balance due November 24, 2008	$ 26,219	$ -
Less: current portion	1,314	-
	$ 24,905	$ -

Principal payments over the next 5 calendar years are expected to be as follows:

2005	$ 1,314
2006	1,516
2007	1,748
2008	2,015
2009	19,626
	$ 26,219

Coventure International Inc.
(a development stage enterprise)
Notes to Consolidated Financial Statements
January 31, 2004
(Unaudited)

(expressed in U.S. dollars)

5. FINANCIAL INSTRUMENTS AND CONCENTRATIONS OF CREDIT RISK

The Company's financial instruments consist of cash, accounts receivable, accounts payable, loan payable to stockholder 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.

6. COMMITMENTS

The Company entered into an operating lease for office premises. The lease calls for monthly payments of $886 starting September 1, 2003 until August 31, 2006. In addition, the Company is responsible for its proportionate share of operating costs, currently at $235 per month.

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

In the fall of 2003 we began providing accounting, tax and business consulting services to small and medium sized businesses in-and-around the Calgary, Alberta region. It is the intent of our management to leverage the experience from this regional office to template offices throughout Canada 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. Our core services will attempt to identify inefficiencies and trouble spots in a business before they cause significant problems.

We commenced significant operational activities as of September 1, 2003. A regional office was opened in Cochrane, Alberta, a community west of Calgary, on October 1, 2003. Administrative and inside support staff were hired at that time. Currently two full-times sales people are supported by two inside appointment setters. Client servicing is done by John Hromyk, President and Carla Cochran, CGA.

During the six months ended January 31, 2004 our operations used $21,826 in cash and we spent $21,332 on office equipment and leasehold improvements. Operating capital was provided from the sale of our common stock, which was registered by means of SB-2 registration statement, a loan from John Hromyk and cash on hand at July 31, 2003.

On March 17, 2004 the over-the-counter Bulletin Board operated by NASDR, Inc. began quotation of our common stock under the symbol "CVNI".

We are targeting between $150,000 and $300,000 CDN in revenue by the end of the 2004 fiscal year provided that we are able to raise $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 our products, services, and licensing program. We do not know when we will obtain the $100,000 in capital. Our initial focus will be on the development of the Canadian market. However, we will not be able to grow without raising these funds.

As of March 1, 2004, we had established 32 accounts. These clients are small and medium sized businesses that have selected one of our standard programs that incorporate tax and business advisory services for a one-year initial period. Client response has been strong and we have implemented numerous refinements to its programs from its experience with its clients. As a result of the foregoing, our revenue for the six month period ended January 31, 2004 has increased to $32,416 from $3,971 for the six month period ended January 31, 2003. However, the increased revenue has been matched by increased expenses ($61,648 for the six month period ended January 31, 2004 as compared to $48,347 for the six month period ended January 31, 2003) and as a result our net loss for the six month period ended January 31, 2004 has increased to $61,628 from $48,347 in the previous period. In addition, our loss from inception is now $136,107.

As a result of the foregoing, while we expect that our core business will achieve profitability in the next twelve months, we expect that, after paying the legal, accounting and other regulatory costs associated with maintaining the currency of our filing with the Securities and Exchange Commission, we will continue to operate at a loss. In order to address the foregoing, our management will attempt to raise additional capital in excess of the $100,000 referred to above in order to accelerate the expansion of our business. However, there is no guarantee that our management will be successful in this regard. In the event that our management fails to raise additional capital, we will be forced to seek to merge with or acquire a revenue producing venture partner seeking the benefits of being publicly traded or suspend our filing obligations with the Securities and Exchange Commission, which will result in our common stock being delisted from the over-the-counter Bulletin Board.

This report contains certain forward-looking statements. We wish 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 us to meet our cash and working capital needs, our ability 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. Controls And Procedures

Based on the evaluation of our disclosure controls and procedures by John Hromyk, our President and Principal Financial Officer, as of a date within 90 days of the filing date of this quarterly report, such officer has concluded that our disclosure controls and procedures are effective in ensuring that information required to be disclosed by us 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 our 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

Number	Exhibit
31	Rule 13a-14(a) Certifications
32	Section 1350 Certifications

(b) Reports on Form 8-K - None

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on March 19, 2004.

COVENTURE INTERNATIONAL INC.

By: /s/ John Hromyk

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