

E-Debit Global Corp.
Form 10-Q
November 14, 2011

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: September 30, 2011

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

For the transition period from _____ to _____

Commissions file number 0-32051

E-DEBIT GLOBAL CORPORATION
(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.)

#12, 3620 – 29th Avenue NE
Calgary, Alberta Canada T1Y 5Z8
Telephone (403) 290-0264
(Issuer's telephone number)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS
DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of November 3, 2011, there were 95,249,344 outstanding shares of the Registrant's Common Stock, no par value and 70,855,900 shares of Preferred Stock, no par value

E-DEBIT GLOBAL CORPORATION

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For the quarterly period ended September 30, 2011

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PART I - FINANCIAL INFORMATION

ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

E-DEBIT GLOBAL CORPORATION
Condensed Consolidated Balance Sheet

ASSETS	September 30, 2011 (Unaudited)	December 31, 2010 (Restated)
CURRENT ASSETS		
Cash	\$64,386	\$—
Restricted cash	536,680	482,681
Accounts receivable net of allowance for doubtful accounts of \$1,894 and \$902	76,409	41,773
Other receivable – related parties	11,394	37,482
Inventory	16,280	78,536
Prepaid expense and deposit	8,976	22,322
Total current assets	714,125	662,794
Property and equipment, net of depreciation	148,100	183,450
Property and equipment, idle	390,898	376,113
Investment, at cost	20	10
Note receivable	153,713	160,010
Intangible Assets, net of amortization	101,949	124,853
Total assets	\$1,508,805	\$1,507,230
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Bank overdraft	\$—	\$20,918
Accounts payable	1,058,958	811,844
Accrued liabilities	168,328	213,360
Loans payable	159,476	166,010
Indebtedness to related parties	845,117	437,353
Shareholder loans	279,813	237,014
Total current liabilities	2,511,692	1,886,499
Total liabilities	2,511,692	1,886,499
STOCKHOLDERS' DEFICIT		
Preferred stock – authorized 75,000,000 shares, no par value, 70,855,900 shares issued and outstanding at September 30, 2011 and 70,855,900 at December 31, 2010	1,400,855	1,400,855
Common stock - authorized 500,000,000 shares, no par value; 95,249,344 shares issued and outstanding at	2,051,570	1,969,870

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September 30, 2011 and 89,413,630 at December 31, 2010

Additional paid-in capital	624,791	624,791
Accumulated other comprehensive income	131,868	82,294
Accumulated deficit	(5,211,971)	(4,457,079)
Total stockholders' deficit	(1,002,887)	(379,269)
Total liabilities and stockholders' Deficit	\$1,508,805	\$1,507,230

See accompanying notes to consolidated financial statements

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E-DEBIT GLOBAL CORPORATION
Condensed Consolidated Statements of Operations
For the Nine Months Ended September 30,
(Unaudited)

	2011	2010
Revenue -		
Equipment and supplies	\$ 20,229	\$ 7,674
Residual and interchange income	2,534,018	2,931,712
Other	35,719	55,057
Total revenue	2,589,966	2,994,443
Cost of sales -		
Equipment and supplies	81,741	7,089
Residual and interchange costs	1,723,160	2,017,221
Other	465,699	407,737
Total cost of sales	2,270,600	2,432,047
Gross profit	319,366	562,396
Operating expenses -		
Depreciation and amortization	59,014	58,238
Consulting fees	148,736	128,406
Legal and accounting fees	57,246	51,426
Salaries and benefits		