

INTERNATIONAL ASSETS HOLDING CORP
Form 10QSB
May 13, 2003
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U.S. Securities and Exchange Commission

Washington D.C. 20549

Form 10-QSB

x

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2003

o

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

Commission File Number 33-70334-A

INTERNATIONAL ASSETS HOLDING CORPORATION

(Exact name of small business issuer as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

59-2921318

(IRS Employer Identification No.)

220 East Central Parkway, Suite 2060

Altamonte Springs, FL 32701

(Address of principal executive offices)

(407) 741-5300

(Issuer's telephone number)

NA

(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 x No o.

The issuer had 4,598,985 outstanding shares of common stock as of May 12, 2003.

Transitional small business disclosure format Yes o No x

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INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(Unaudited)

	March 31, 2003	September 30, 2002
	<u> </u>	<u> </u>
<u>Assets</u>		
Cash	\$ 171,025	\$ 56,158
Cash and cash equivalents deposited with clearing organization	5,349,830	4,427,445
Receivable from clearing organization, net	869,080	
Other receivables	37,084	200,000
Loans to officers		21,468
Securities owned, at market value	8,912,952	5,772,672
Deferred income tax asset, net	446,900	540,766
Property and equipment, at cost:		
Equipment, furniture and leasehold improvements	661,712	596,726
Less accumulated depreciation and amortization	(320,528)	(445,399)
	<u> </u>	<u> </u>
Net property and equipment	341,184	151,327
Software development, net of accumulated amortization of \$866,371 at March 2003 and \$752,784 at September 2002	169,131	282,718
Deposit with clearing organization	500,000	
Prepaid expenses and other assets, net of accumulated amortization of \$2,000 at March 2003 and September 2002	255,411	119,625
	<u> </u>	<u> </u>
Total assets	<u>\$ 17,052,597</u>	<u>\$ 11,572,179</u>
<u>Liabilities and Stockholders' Equity</u>		
Liabilities:		
Accounts payable	\$ 136,183	\$ 81,535
Foreign currency sold, not yet purchased	20,751	15,773
Securities sold, not yet purchased, at market value	4,691,608	5,796,820
Payable to clearing organization, net	3,733,600	1,024,728
Accrued employee compensation and benefits	217,273	240,072
Accrued expenses	173,753	109,883
Other liabilities	196,656	49,686
	<u> </u>	<u> </u>
Total liabilities	9,169,824	7,318,497
Stockholders' equity:		
Preferred stock, \$.01 par value. Authorized 5,000,000 shares; issued and outstanding 0 shares		
Common stock, \$.01 par value. Authorized 8,000,000 shares; issued and outstanding 4,598,985 shares at March 2003 and 2,375,575 shares at September 2002	45,990	23,756
Additional paid-in capital	11,506,269	8,026,131
Retained deficit	(3,669,486)	(3,796,205)
	<u> </u>	<u> </u>
Total stockholders' equity	<u>7,882,773</u>	<u>4,253,682</u>

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Total liabilities and stockholders' equity	\$	17,052,597	\$	11,572,179
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See accompanying notes to condensed consolidated financial statements.

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INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of OperationsFor the Six Months Ended March 31, 2003 and 2002
(Unaudited)

	2003	2002
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Revenues:		
Net dealer inventory and investment gains	\$ 3,631,265	\$ 1,823,388
Commissions (note 2)		404,500
Management and investment advisory fees (note 2)		6,292
Interest income (expense), net	11,926	8,741
Dividend income (expense), net	(5,089)	7,990
Other revenues	4,947	19,274
	<hr/>	<hr/>
Total revenues	3,643,049	2,270,185
	<hr/>	<hr/>
Expenses:		
Compensation and benefits	\$ 1,456,108	\$ 1,128,528
Clearing and related expenses	870,021	881,021
Promotion	170,293	93,742
Occupancy and equipment rental	192,277	233,657
Professional fees	254,733	168,758
Insurance	100,092	69,803
Depreciation and amortization	180,392	197,473
Other expenses	198,548	231,004
	<hr/>	<hr/>
Total expenses	3,422,464	3,003,986
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Operating income (loss) before gain on sale of retail activity and income tax expense	220,585	(733,801)
Gain on sale of retail activity (note 2)		413,009
	<hr/>	<hr/>
Income (loss) before income taxes	220,585	(320,792)
Income tax expense	93,866	
	<hr/>	<hr/>
Net income (loss)	\$ 126,719	\$ (320,792)
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Earnings (loss) per share:		
Basic	\$0.05	\$ (0.14)
	<hr/>	<hr/>
Diluted	\$0.04	\$ (0.14)
	<hr/>	<hr/>
Weighted average number of common shares outstanding:		
Basic	2,763,843	2,342,413
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Diluted	2,892,702	2,342,413
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See accompanying notes to condensed consolidated financial statements.

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INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

For the Three Months Ended March 31, 2003 and 2002

(Unaudited)

	2003	2002
	<u> </u>	<u> </u>
Revenues:		
Net dealer inventory and investment gains	\$1,594,895	803,633
Interest income (expense), net	7,679	2,565
Dividend income (expense), net	(3,712)	3,571
Other revenues	3,443	20,746
	<u> </u>	<u> </u>
Total revenues	1,602,305	830,515
	<u> </u>	<u> </u>
Expenses:		
Compensation and benefits	724,836	394,949
Clearing and related expenses	440,068	441,079
Promotion	87,626	56,955
Occupancy and equipment rental	109,343	94,722
Professional fees	72,996	121,924
Insurance	56,675	