

ALTRIS SOFTWARE INC
Form 10-Q
May 15, 2003

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended March 31, 2003.

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

For the transition period from

to

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Commission File Number 0-15935

ALTRIS SOFTWARE, INC.

(Exact name of registrant as specified in its charter)

CALIFORNIA

(State or other jurisdiction of
incorporation or organization)

95-3634089

(I.R.S. Employer
Identification No.)

9339 CARROLL PARK DRIVE, SAN DIEGO, CA 92121

(Address of principal executive offices and zip code)

(858) 625-3000

(Registrant's telephone number, including area code)

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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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

YES NO

Number of shares of Common Stock outstanding at April 13, 2003: 30,890,278

Number of Sequentially Numbered Pages: 27

ALTRIS SOFTWARE, INC.

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PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

ALTRIS SOFTWARE, INC.
CONSOLIDATED BALANCE SHEETS

	March 31, 2003 (Unaudited)	September 30, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 205,000	\$ 87,000
Receivables, net	1,162,000	1,459,000
Other current assets	140,000	244,000
Total current assets	1,507,000	1,790,000
Property and equipment, net	201,000	215,000
Computer software, net	230,000	420,000
Other assets	94,000	83,000
Total assets	\$ 2,032,000	\$ 2,508,000
LIABILITIES AND SHAREHOLDERS DEFICIT		
Current liabilities:		
Accounts payable	\$ 502,000	\$ 802,000
Payable to shareholder - Spescom	499,000	495,000
Accrued liabilities	996,000	1,294,000
Deferred revenue	2,528,000	2,171,000
Total current liabilities	4,525,000	4,762,000
Notes payable and accrued interest to shareholder - Spescom	5,105,000	4,881,000
Lease obligation		10,000
Total liabilities	9,630,000	9,653,000
Shareholders' deficit:		
Common stock, no par value, 40,000,000 shares authorized; 30,890,278 and 30,841,590 issued and outstanding in 2003 and 2002	74,470,000	74,465,000
Common stock warrants	133,000	133,000
Accumulated other comprehensive loss	(174,000)	(156,000)
Accumulated deficit	(82,027,000)	(81,587,000)
Total shareholders' deficit	(7,598,000)	(7,145,000)

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Total liabilities and shareholders' deficit	\$	2,032,000	\$	2,508,000
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The accompanying condensed notes are an integral part of these consolidated financial statements.

ALTRIS SOFTWARE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ended March 31,		For the six months ended March 31,	
	2003	2002	2003	2002
Revenues:				
Licenses	\$ 367,000	\$ 329,000	\$ 1,288,000	\$ 647,000
Services and other	1,448,000	1,238,000	2,816,000	2,638,000
Total revenues	1,815,000	1,567,000	4,104,000	3,285,000
Cost of revenues:				
Licenses	125,000	349,000	400,000	609,000
Services and other	500,000	879,000	1,094,000	1,862,000
Total cost of revenues	625,000	1,228,000	1,494,000	2,471,000
Gross profit	1,190,000	339,000	2,610,000	814,000
Operating expenses:				
Research and development	414,000	569,000	737,000	1,193,000
Marketing and sales	657,000	1,087,000	1,283,000	2,338,000
General and administrative	363,000	677,000	771,000	1,112,000
	1,434,000	2,333,000	2,791,000	4,643,000
Loss from operations	(244,000)			