

**UNITED
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 December 31, 2002

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

For the transition period from to

Commission File number 0-25541

STARBERRYS CORPORATION

(Exact name of registrant as specified in charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

91-1948357
(I.R.S. Employer
Identification No.)

21—2236 Folkestone Way
West Vancouver, BC, Canada
(Address of principal executive offices)

V7S 2X7
(Zip Code)

604-922-0113

Registrant's telephone number, including area code

(Former name, address, and 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), Yes No and () has been subject to filing requirements for the past 90 days. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the last practicable date.

Class	Outstanding as of December 31, 2002
Common Stock, \$0.001 per share	10,561,200

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ITEM 1. FINANCIAL STATEMENTS

The accompanying balance sheet of Starberrys Corporation (a development stage company) at December 31, 2002 and September 30, 2002 and the statement of operations for the three months ended December 31, 2002 and 2001, and for the period from October 8, 1998 (date of inception) to December 31, 2002 and the statement of cash flow for the three months ended December 31, 2002 and 2001 and for the period from October 8, 1998 (date of inception) to December 31, 2002 have been prepared by the Company's management in conformity with accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature.

Operating results for the three months ended December 31, 2002, are not necessarily indicative of the results that can be expected for the year ending September 30, 2003.

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STARBERRYS CORPORATION
(A Development Stage Company)

BALANCE SHEET

December 31, 2002 and September 30, 2002
(Unaudited - Prepared by Management)

	December 31, 2002	September 30, 2002
ASSETS		
CURRENT ASSETS		
Bank	\$ 32,230	\$ 553
TOTAL CURRENT ASSETS	\$ 32,230	\$ 553
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 131,102	\$ 112,056
Shareholder loans	35,655	0
TOTAL CURRENT LIABILITIES	166,757	112,056
STOCKHOLDERS' EQUITY		
Common stock 200,000,000 shares authorized, at \$0.001 par value, 10,561,200 shares issued and outstanding	\$ 10,561	\$ 10,561
Capital in excess of par value	91,281	91,281
Deficit accumulated during the development stage	(236,369)	(213,345)
Total Stockholders' Deficiency	(134,527)	(111,503)
	\$ 32,230	\$ 553

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

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STARBERRYS CORPORATION
(A Development Stage Company)

STATEMENT OF OPERATIONS

For the three months ended December 31, 2002 and 2001,
and for the period from October 8, 1998 (Date of Inception) to December 31, 2002

(Unaudited — Prepared by Management)

	For the Three Months Ended December 31, 2002	For the Three Months Ended December 31, 2001	From Inception To December 31, 2002
SALES	\$ —	\$ —	\$ —
GENERAL AND ADMINISTRATIVE EXPENSES:			
Loss of license	—	—	50,000
Accounting and audit	1,175	950	22,808
Bank charges and interest	150	18	699
Consulting	—	—	17,913
Filing fees	2,294	—	7,809
Legal	17,826	—	108,834
Office and administrative expenses	—	—	4,397
Rent	—	—	4,500
Telephone	—	—	2,700
Transfer agent's fees	1,587	1,541	10,425
Travel	—	—	3,416
Website fees	—	—	500
Miscellaneous other	(8)	—	2,368
NET LOSS	\$ (23,024)	\$ (2,509)	\$ (236,369)
NET LOSS PER COMMON SHARE			
Basic	\$ —	\$ —	
AVERAGE OUTSTANDING SHARES			
Basic	<u>10,561,200</u>	<u>10,535,000</u>	

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

STARBERRYS CORPORATION
(A Development Stage Company)

STATEMENT OF CASH FLOWS

For the three months ended December 31, 2002 and 2001 and for the period from
October 8, 1998 (Date of Inception) to December 31, 2002
(Unaudited - Prepared by Management)

	For the Three Months Ended December 31, 2002	For the Three Months Ended December 31, 2001	From Inception To December 31, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (23,024)	\$ (2,509)	\$ (236,369)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Changes in current assets and liabilities:			
Capital contributions — expenses	—	—	10,950
Accounts payable	19,046	2,542	131,102
Shareholder loans	35,655	—	35,655
Net cash (deficiency) from operations	<u>31,677</u>	<u>33</u>	<u>(58,662)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
	—	—	—
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of common stock	—	—	90,892
Net Increase (Decrease) in Cash	31,677	33	32,230
Cash at Beginning of Period	553	2	—
CASH AT END OF PERIOD	\$ 32,230	\$ 35	\$ 32,230

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

STARBERRYS CORPORATION
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

(Unaudited - Prepared by Management)

1. ORGANIZATION

The Company was incorporated under the laws of the State of Nevada on October 8, 1998 under the name of "Cigar King Corporation" with authorized common stock of 200,000,000 shares at \$0.001 par value. On September 13, 2002 the name was changed to "Starberrys Corporation" as part of a change in the authorized capital stock by the addition of 50,000,000 shares of preferred stock with a par value of \$0.001. There are no preferred shares issued and the terms have not been determined.

The Company was organized for the purpose of engaging in quality cigar sales. During 1998 the Company purchased the right to use the name "Cigar King" to market high quality cigars and during 2000 the activity was abandoned. During 2002, under a new board of directors and management, the Company has been looking for another project. No operations have been started.

The Company is in the development stage.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Methods

The Company recognizes income and expenses based on the accrual method of accounting.

Dividend Policy

The Company has not yet adopted a policy regarding payment of dividends.

Income Taxes

On December 31, 2002 the Company had a net operating loss carry forward of \$236,369. The tax benefit of approximately \$70,910 from the loss carry forward has been fully offset by a valuation reserve because the use of the future tax benefit is doubtful since the Company has no operations. The net operating loss will expire in 2022.

Basic and Diluted Net Income (Loss) Per Share

Basic net income (loss) per share amounts are computed based on the weighted average number of shares actually outstanding. Diluted net income (loss) per share amounts are computed using the weighted average number of common shares and common equivalent shares outstanding as if shares had been issued on the exercise of the preferred share rights unless the exercise becomes antidilutive and then only the basic per share amounts are shown in the report.

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with a maturity, at the time of purchase, of less than three months, to be cash equivalents.

Financial Instruments

The carrying amounts of financial instruments, including cash and accounts payable, are considered by management to be their estimated fair values.

Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing these financial statements.

3. COMMON CAPITAL STOCK

Since its inception, the Company has completed private placements of 10,561,200 shares of its common capital stock for \$90,892.

4. COMMON CAPITAL STOCK OPTIONS

On June 6, 2002 the Company granted stock options to related parties of 1,140,000 shares of common stock at \$1.00 per share which will expire on June 6, 2005. The options vest in equal proportions of one-twelfth on the first day of each calendar quarter starting the October to December 2002 quarter. On the date of the grant the fair value of outstanding shares of the Company was less than \$1.00. As there have been no transaction involving the Company's shares since common stock was sold from Treasury in July 2002 at \$0.50 per share, it is assumed that the options vested to December 31, 2002 have no value.

5. SHAREHOLDER LOANS

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. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we 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 45 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;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:
 - 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. The registrant's other certifying officer and 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.

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Dated: February 14, 2003

/s/ JOHN H. GOODWIN
John H. Goodwin
Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002**

I, Kenneth R. Tolmie, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the three months ended December 31, 2002 of Starberrys Corporation, the registrant;
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. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we 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 45 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;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:
 - 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

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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. The registrant's other certifying officers and 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.

Dated: February 14, 2003

/s/ *KENNETH R. TOLMIE*

Kenneth R. Tolmie
Chief Financial Officer