



**British Columbia
Securities Commission**

**QUARTERLY REPORT
BC FORM 51-901F**

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INCORPORATED AS PART OF:

 X Schedule A

 Schedule B & C
(place X in appropriate category)

ISSUER DETAILS

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT YY/MM/DD
VRX WORLDWIDE INC.	September 30, 2003	03/10/31

ISSUER'S ADDRESS **580 Hornby Street, Suite 900**

CITY	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
Vancouver	BC	V6C 3B6	604-684-0642	604-688-2321

CONTACT PERSON	CONTACT'S POSITION	CONTACT TELEPHONE NO.
Robert G. McMorran	Director	604-688-2321

CONTACT E-MAIL ADDRESS	WEB SITE ADDRESS
rgm@vrxworldwide.com	http://www.vrxworldwide.com

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

"Robert G. McMorran"	Robert G. McMorran	03/10/31
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD

"David S. MacLaren"	David S. MacLaren	03/10/31
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD

(Electronic signatures should be entered in "quotations")

VRX WORLDWIDE INC.

Consolidated Financial Statements

For the Quarter Ended September 30, 2003

(Prepared without audit)

VRX WORLDWIDE INC.**Consolidated Balance Sheets**

	September 30, 2003	December 31, 2002
	(Prepared without audit)	(Audited)
Assets		
Current assets		
Cash and cash equivalents	\$ 1,314,216	\$ 106,701
Accounts receivable	527,898	250,774
Prepaid expenses	17,402	1,287
Refundable deposits	3,700	17,690
	1,863,216	376,452
Property, plant and equipment	169,210	107,203
	\$ 2,032,426	\$ 483,655
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 190,028	\$ 78,950
Deferred revenue	110,700	192,324
Due to related parties	-	32,369
	300,728	303,643
Shareholders' Equity		
Share capital	6,226,055	6,080,889
Contributed surplus	13,913	8,774
Deficit	(4,508,270)	(5,909,651)
	1,731,698	180,012
	\$ 2,032,426	\$ 483,655

VRX WORLDWIDE INC.
Consolidated Statements of Operations and Deficit

(Prepared without audit)

	Nine Months Ended September 30		Three Months Ended September 30	
	2003	2002	2003	2002
Revenue				
Licensing fees	\$ 426,936	\$ 158,717	\$ 168,146	\$ 71,179
Service fees	2,563,367	728,661	1,232,275	356,473
	2,990,303	887,378	1,400,421	427,652
Transaction fees	(2,494)	(3,731)	(815)	(1,696)
	2,987,809	883,647	1,399,606	425,956
Expenses				
Salaries and benefits	375,474	222,287	150,171	80,157
Photographer fees	471,763	137,704	284,186	68,880
Amortization	109,033	87,354	37,061	28,659
Production contractors	123,115	31,888	51,951	22,998
Management fees	67,995	-	22,500	-
Office operations and sundry	96,749	72,324	40,516	28,191
Investor relations and shareholder communications	53,787	-	16,577	-
Telecommunications	63,196	31,026	31,299	10,057
Professional fees	57,260	23,898	34,674	8,141
Annual Report	8,434	10,312	-	(1,704)
Printing and scanning	13,885	-	460	-
Marketing and product promotion	27,255	23,229	13,455	13,096
Transfer Agent and regulatory fees	17,941	13,500	2,638	4,411
Consulting	39,350	-	24,400	-
Foreign exchange (gain) loss	31,804	3,567	4,121	14,763
Travel and entertainment	17,596	6,329	9,192	2,942
Bad debt expense	6,887	2,841	3,561	(167)
	1,581,524	666,259	726,762	280,424
Income before other items	1,406,285	217,388	672,844	145,532
Stock-based compensation	(5,139)	(7,778)	(1,124)	-
Interest income	235	1,687	108	45
Net income for the period	1,401,381	211,297	671,828	145,577
Deficit - beginning of period	(5,909,651)	(6,245,840)	(5,180,098)	(6,180,120)
Deficit - end of period	\$ (4,508,270)	\$ (6,034,543)	\$ (4,508,270)	\$ (6,034,543)
Income per share	\$ 0.05	\$ 0.01	\$ 0.02	\$ 0.00
Weighted average number of shares	30,024,587	29,749,502	30,033,218	29,749,685

VRX WORLDWIDE INC.
Consolidated Statements of Cash Flows

(Prepared without audit)

	Nine Months Ended		Three Months Ended	
	September 30		September 30	
	2003	2002	2003	2002
Cash flows from operating activities				
Net income	\$ 1,401,381	\$ 211,297	\$ 671,828	\$ 145,577
Items not affecting cash				
Amortization	109,033	87,354	37,061	28,659
Stock-based compensation	5,139	7,778	1,124	-
	1,515,553	306,429	710,013	174,236
Net change in non-cash working capital				
Accounts receivable	(277,124)	(133,733)	(61,881)	(132,556)
Prepaid expenses	(16,115)	(1,921)	(17,220)	814
Refundable deposits	13,990	-	-	-
Accounts payable and accrued liabilities	111,078	(155,569)	40,591	(65,112)
Deferred revenue	(81,625)	65,536	7,256	65,310
Due to related parties	(32,369)	(34,573)	-	(13,579)
	1,233,388	46,169	678,759	29,113
Cash flows from investing activities				
Proceeds on disposal of property, plant and equipment	1,433	1,565	285	-
Acquisition of property, plant and equipment	(172,473)	(38,312)	(72,645)	(26,531)
	(171,040)	(36,747)	(72,360)	(26,531)
Cash flows from financing activities				
Exercise of options	25,500	-	25,500	-
Exercise of warrants	119,667	11,000	119,667	-
	145,167	11,000	145,167	-
Net cash and cash equivalents provided during the period	1,207,515	20,422	751,566	2,582
Cash and cash equivalents – beginning of period	106,701	17,440	562,650	35,280
Cash and cash equivalents – end of period	\$ 1,314,216	\$ 37,862	\$ 1,314,216	\$ 37,862
Supplemental information:				
Interest paid	\$ 3,080	\$ 7,902	\$ 229	\$ 5,280

VRX WORLDWIDE INC.

Notes to financial statements

For the nine months ended September 30, 2003

(Prepared without audit)

1. Significant Accounting Policies

These interim consolidated financial statements are prepared by the Company in accordance with Canadian generally accepted accounting principles, following accounting policies consistent with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2002 and should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2002.

2. Stock-based Compensation

Effective January 1, 2002, the Company adopted the CICA Handbook Section 3870 "Stock-based Compensation and Other Stock-based Payments", which recommends the fair value-based methodology for measuring compensation costs. The section also permits the use of the intrinsic value-based method, which recognizes compensation cost for awards to employees only when the market price exceeds the exercise price at date of grant, but requires pro-forma disclosure of earnings and earnings per share as if the fair value method had been adopted. The Company has elected to adopt the intrinsic value-based method for employee awards.

As at September 30, 2003, the Company has a share option plan as described below. Consideration paid for shares on exercise of the share options is credited to share capital.

Stock option plan

The Company established a share purchase option plan ("the Plan") in June 1994, as amended in May 1998, and as further amended in May, 2003. The Board of Directors administers the Plan, whereby it may from time to time grant up to 3,500,000 incentive stock options to purchase common shares of the Company to directors, officers, employees, consultants or advisors. All options granted under the Plan shall expire not later than the fifth anniversary of the date the options were granted. The exercise price of an option is determined by the Board of Directors, but shall not be less than the market price of the common shares of the Company on the TSX Venture Exchange on the last business day before the date on which the options are granted, less any discount permitted by the rules of the exchange. Vesting and terms are at the discretion of the Board of Directors.

VRX Worldwide Inc.
Notes to financial statements
For the nine months ended September 30, 2003
(Prepared without audit)

A summary of the Company's options at September 30, 2003 and the changes for the period ending on that date is presented below:

	Nine Month Period Ended September 30, 2003	
	Shares	Weighted average Exercise price (\$/share)
Outstanding at January 1, 2003	2,775,400	0.07
Granted	150,000	0.25
Exercised	(255,000)	0.10
Expired/Cancelled	(100,000)	0.15
Outstanding at September 30, 2003	2,570,400	0.12
Exercisable at September 30, 2003	1,671,350	0.12

The following table summarizes information about share options outstanding as at September 30, 2003:

Number of Stock Options Outstanding	Number of Stock Options Exercisable	Option Price	Expiry Date
75,000	75,000	\$0.10	February 8, 2005
90,000	90,000	\$0.20	February 8, 2005
20,000	20,000	\$0.10	September 19, 2005
105,000	105,000	\$0.20	September 19, 2005
100,000	100,000	\$0.20	October 20, 2005
167,400	111,600	\$0.10	January 08, 2006
93,000	69,750	\$0.10	January 08, 2006
855,000	456,667	\$0.10	December 21, 2006
50,000	50,000	\$0.10	March 20, 2007
100,000	100,000	\$0.16	March 20, 2007
150,000	66,667	\$0.10	July 14, 2007
565,000	355,833	\$0.10	November 6, 2007
50,000	37,500	\$0.16	November 6, 2007
100,000	33,333	\$0.15	May 23, 2008
50,000	-	\$0.44	August 19, 2008
2,570,400	1,671,350	\$0.12	

VRX Worldwide Inc.
Notes to financial statements
For the nine months ended September 30, 2003
(Prepared without audit)

Had the Company determined compensation costs on this Plan to employees based on the fair value at the grant dates for those share options consistent with the fair value method of accounting for stock –based compensation, the Company’s net income and earnings per share would have been reduced to the pro forma amounts indicated below:

		Nine Months Ended September 30, 2003 \$
Net income for the period	As reported	1,401,381
	Pro Forma	1,373,718
Basic earnings per share	As reported	0.05
	Pro Forma	0.05

The pro forma amounts presented above, do not include the effect of share options granted before January 1, 2002.

The fair values of options included in the pro forma amounts presented above, have been estimated using an option-pricing model. Assumptions used in the pricing model are as follows:

- a) average risk-free interest rate 3.5%
- b) expected life Various ranging from 3.1 to 5.0 years
- c) expected volatility 70%
- d) expected dividends nil