United States Securities and Exchange Commission

Washington, D.C. 20549

FORM 10-QSB

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended December 31st, 2007

c TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT
For the transition period from _____________ to ___________

Commission file number: 000-33191

VISUALMED CLINICAL SOLUTIONS CORP.

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

NEVADA	**88-0436055**
(State of other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

1035 Laurier Street West
Montreal, Quebec
Canada H2V 2L1
(Address of principal executive offices)

(514) 274-1115
(Issuer's telephone number)

(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 c

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

APPLICABLE ONLY TO CORPORATE ISSUERS

As of February 13, 2008 the issuer had 57,422,845 outstanding shares of common stock.

Transitional Small Business Disclosure Format (Check one): Yes c No x

PART I.

ITEM 1. - Financial Statements

VisualMED Clinical Solutions Corp.
(A Development Stage Company)

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VisualMED Clinical Solutions Corp.
(A Development Stage Company)
Consolidated Balance Sheets
(expressed in U.S. dollars)

	December 31, 2007 $ (Unaudited)	June 30, 2007 $
Assets		
Current Assets		
Cash	—	123,318
Accounts receivable	—	130,717
Advances to related parties (Note 3)	55,256	29,231
Prepaid expenses and deposits (Note 4)	62,294	122,250
Inventory	53,073	3,226
Other assets	2,608	7,941
Total Current Assets	173,231	416,683
Property and Equipment (Note 5)	36,845	51,190
Total Assets	210,076	467,873
Liabilities and Stockholders' Deficit		
Current Liabilities		
Bank indebtedness	36,437	—
Accounts payable	1,520,775	1,387,121
Accrued liabilities (Note 6)	193,492	197,401
Loan payable (Note 7)	50,970	—
Due to related party (Note 8)	3,000	42,288
Current portion of capital lease obligation	1,254	3,386
Deferred revenue	392,299	298,250
Total Liabilities	2,198,227	1,928,446
Commitments (Notes 1 and 14)		
Stockholders' Deficit		
Preferred Stock (Note 9),		
Authorized: 15,000,000 shares, Series A 10% Cumulative; par value $0.00001;		
Issued and outstanding: nil shares	—	—
Authorized:10,000,000 shares, Undesignated; par value $0.00001;		
Issued and outstanding: nil shares	—	—
Common Stock (Note 10),		
Authorized: 100,000,000 shares, par value $0.00001;		
Issued and outstanding: 57,422,845 shares (June 30, 2007 – 49,728,345 shares)	574	497
Additional Paid-in Capital	29,995,089	27,269,830
Common Stock Subscriptions Receivable	(2,450)	(2,450)
Accumulated Other Comprehensive Loss	(259,998)	(254,013)

Deficit Accumulated During the Development Stage	(31,721,366)	(28,474,437)
Total Stockholders Deficit	(1,988,151)	(1,460,573)
Total Liabilities and Stockholders Deficit	210,076	467,873

(The accompanying notes are an integral part of these consolidated financial statements)

VisualMED Clinical Solutions Corp.
(A Development Stage Company)
Consolidated Statements of Operations
(expressed in U.S. dollars)
(unaudited)

	Accumulated from September 7, 1999 (Date of Inception) to December 31,	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2007	2007	2006	2007	2006
	$	$	$	$	$
Revenue	1,176,756	452,248	9,374	511,998	18,124
Cost of sales	225,382	24,379	4,059	36,566	8,298
Gross Profit	951,374	427,869	5,315	475,432	9,826
Expenses					
Acquired in-process research	7,920,730	—	—	—	—
Customer service	2,096,880	144,313	301,243	330,567	441,332
Amortization	80,237	10,239	8,419	19,303	16,474
Development costs	2,446,219	113,504	153,578	275,602	286,542
General and administration	5,333,885	164,735	1,393,312	494,099	1,572,129
Sales and marketing	10,123,580	1,406,711	696,311	2,589,039	1,717,971
Total Expenses	28,001,531	1,839,502	2,552,863	3,708,610	4,034,448
Net Loss From Operations	(27,050,157)	(1,411,633)	(2,547,548)	(3,233,178)	(4,024,622)
Other Income (Expenses)					
Interest	(65,400)	(17,576)	(351)	(24,123)	(519)
Financing costs	(4,514,285)	—	—	—	—
Foreign exchange gain (loss)	290,553	13,293	(89,836)	10,372	(89,603)
Gain on forgiveness of interest	7,655	—	—	—	—
Gain on forgiveness of debt	12,689	—	—	—	—
Net Loss Before Discontinued Operations	(31,318,945)	(1,415,916)	(2,637,735)	(3,246,929)	(4,114,744)
Discontinued Operations	(402,421)	—	—	—	—
Net Loss	(31,721,366)	(1,415,916)	(2,637,735)	(3,246,929)	(4,114,744)
Other Comprehensive Income (Loss)					
Foreign currency translation adjustments	(259,998)	6,311	90,784	(5,985)	88,628
Comprehensive Loss	(31,981,364)	(1,409,605)	(2,546,951)	(3,252,914)	(4,026,116)

Net Loss Per Share Basic and Diluted		(0.03)	(0.06)	(0.06)	(0.09)
Weighted Average Shares Outstanding		55,486,000	46,896,000	53,277,000	46,467,000

(The accompanying notes are an integral part of these consolidated financial statements)

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VisualMED Clinical Solutions Corp.
(A Development Stage Company)
Consolidated Statements of Cash Flows
(expressed in U.S. dollars)
(unaudited)

	Accumulated from September 7, 1999 (Date of Inception) To December 31, 2007	For the Six Months Ended December 31, 2007	For the Six Months Ended December 31, 2006
	$	$	$
Operating Activities			
Net loss	(31,721,366)	(3,246,929)	(4,114,744)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization	81,779	19,303	16,474
Stock-based compensation	17,173,639	2,725,333	3,083,789
Acquired in process research and development	7,920,730	—	—
Common stock issued for interest	32,063	—	—
Common stock issued for services	441,250	—	—
Write-off of assets	3,568	—	—
Gain on forgiveness of interest	(7,655)	—	—
Gain on settlement of debt	(12,689)	—	—
Changes in operating assets and liabilities			
Accounts receivable	134,544	130,717	(12,450)
Advances receivable	(587,948)	—	—
Prepaid expenses and deposits	39,182	68,784	4,625
Inventory	(53,073)	(49,847)	226,498
Other assets	28	6,001	7,526
Deferred revenue	822,299	94,049	244,875
Advances to related parties	(17,956)	(30,778)	29,647
Accounts payable and accrued liabilities	1,691,931	121,491	440,241
Net Cash Used In Operating Activities	(4,059,668)	(161,876)	(73,519)
Investing Activities			
Purchase of property and equipment	(96,535)	(1,103)	(11,705)
Net Cash Used In Investing Activities	(96,535)	(1,103)	(11,705)
Financing Activities			
Proceeds from the sale of common stock	1,490,213	—	4,910
Bank indebtedness	36,435	36,435	—
Proceeds from loan	572,719	50,970	—
Proceeds from notes payable	2,326,476	—	—
Repayment of capital lease obligation	(9,732)	(2,421)	(1,892)
Advances to related parties	(239)	(38,795)	—
Net Cash Provided By Financing Activities	4,415,872	46,189	3,018
Effect of Exchange Rate Changes on Cash	(259,669)	(6,528)	87,817
Decrease in Cash	—	(123,318)	5,611

Cash — Beginning of Period	$	123,318	10,976
Cash — End of Period	$	—	16,587
Supplemental Disclosures			
Interest paid		3,977	538
Income taxes paid		—	—

(The accompanying notes are an integral part of these consolidated financial statements)

1. Nature of Operation and Continuance of Business

The Company was incorporated in the State of Nevada on September 7, 1999. The Company changed its name to VisualMed Clinical Solutions Corp. on November 30, 2004. The Company’s majority shareholder is Visual Healthcare Corporation, which is a Nevada Corporation, based in Montreal, Canada.

The Company’s business plan involves the distribution of medical software. The Company is primarily involved in activities related to the distribution of medical software and is considered to be a development stage company. At December 31, 2007, the Company had a working capital deficiency of $2,024,996 and has incurred losses of $31,721,366 since inception. The ability of the Company to emerge from the development stage with respect to any planned principal business activity is dependent upon its successful efforts to raise additional equity financing and then attain profitable operations. There is no guarantee that the Company will be able to complete any of the above objectives. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern.

As at December 31, 2007, the Company had bank indebtedness of $36,437, and for the next twelve months, management anticipates that the minimum cash requirements to fund its continued operations will be $2,160,000. Accordingly, the Company does not have sufficient funds to meet planned expenditures over the next twelve months,. Management plans to seek additional capital through equity and/or debt offerings and has asked for the continued financial support of related parties. There is no assurance that the Company will be able to raise sufficient cash to fund its future distribution programs and operational expenditures.

2. Summary of Significant Accounting Principles

a) Basis of Presentation and Fiscal Year

These consolidated financials statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in US dollars. The Company has not produced any revenues from its principal business and is a development stage company as defined by Statement of Financial Accounting Standard (“SFAS”) No. 7 “Accounting and Reporting by Development Stage Enterprises”. These financial statements include the accounts of the Company and its wholly-owned subsidiary, VisualMed Clinical Systems Marketing Inc., a company incorporated and based in the province of Quebec, Canada. All intercompany transactions and balances have been eliminated. The Company’s fiscal year-end is June 30.

b) Interim Consolidated Financial Statements

The interim unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Securities and Exchange Commission (“SEC”) Form 10-QSB. They do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Therefore, these financial statements should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto for the year ended June 30, 2007, included in the Company’s Annual Report on Form 10-KSB filed on September 28, 2007 with the SEC.

The consolidated financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company's consolidated financial position at December 31, 2007 and June 30, 2007, and the consolidated results of its operations and consolidated cash flows for the six months ended December 31, 2007 and 2006. The results of operations for the six months ended December 31, 2007 are not necessarily indicative of the results to be expected for future quarters or the full year.

(The accompanying notes are an integral part of these consolidated financial statements)

2. Summary of Significant Accounting Policies (continued)

c) Use of Estimates

The preparation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses in the reporting period. The Company regularly evaluates estimates and assumptions related to useful life and recoverability of long-lived assets, allowances for doubtful accounts, sales returns and allowances, inventory reserves, stock-based compensation expense, warranty liabilities and deferred income tax asset valuations. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

e) Allowance for Doubtful Accounts

The Company evaluates the collectability of accounts receivable based on a combination of factors. In cases where the Company is aware of circumstances that may impair a specific customer's ability to meet its financial obligations subsequent to the original sale, the Company will record an allowance against amounts due, and thereby reduce the net recognized receivable to the amount the Company reasonably believes will be collected. For all other customers, the Company recognizes allowances for doubtful accounts based on the length of time the receivables are past due, industry and geographic concentrations, the current business environment and the Company's historical experience. The allowance for doubtful accounts as of December 31, 2007 was $nil (June 30, 2007 - $nil).

f) Property and Equipment

Property and equipment is stated at cost, less accumulated amortization, and consists of office furniture, computer hardware and software, leasehold improvements and assets under capital lease. Amortization of office furniture is computed using the straight-line method over five years. Amortization of computer hardware and software is computed using the straight-line method over three years. Amortization of leasehold improvements is computed using the straight-line method over five years. Amortization of assets under capital lease is computed using the straight-line method over the term of the lease.

g) Long-Lived Assets

In accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life.

Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

(The accompanying notes are an integral part of these consolidated financial statements)

2. Summary of Significant Accounting Policies (continued)

h) Foreign Currency Transactions

The Company's functional and reporting currency is the United States dollar. The functional currency of the Company□s subsidiary is the Canadian dollar. The financial statements of the subsidiary are translated to United States dollars in accordance with SFAS No. 52 □Foreign Currency Translation□ using period-end rates of exchange for assets and liabilities, and average rates of exchange for the period for revenues and expenses. Translation gains (losses) are recorded in accumulated other comprehensive income (loss) as a component of stockholders□ equity. Foreign currency transaction gains and losses are included in current operations.

i) Development Costs

Costs related to the enhancement of existing medical software modules are expensed as incurred until technological feasibility in the form of a working model has been established. The time period between the establishment of technological feasibility and completion of product development is expected to be short, therefore the Company has not capitalized any product development costs during the period.

j) Basic and Diluted Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with SFAS No. 128, "Earnings per Share" which requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS and the weighted average number of common shares exclude all dilutive potential shares since their effect is anti dilutive. Shares underlying these securities totaled approximately 12,060,000 as of December 31, 2007.

k) Financial Instruments and Concentrations

The carrying value of accounts receivable, advances to related parties, bank indebtedness, accounts payable, accrued liabilities, advances from related parties and capital lease obligation approximate fair value due to the relatively short maturity of these instruments. Financial instruments which potentially subject the Company to a concentration of credit risk consist primarily of accounts receivable. For the six-month period ended December 31, 2007, revenue from one customer represented 86% (2006 □ 55%) of total revenue and from a second customer represented 11% (2006 □ 45%) of total revenue.

l) Inventory

Inventory consists of computer hardware and software acquired for specific revenue contracts. Inventory is stated at the lower of cost or net realizable value.

m) Comprehensive Loss

SFAS No. 130, Reporting Comprehensive Income, establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. For the six-month periods ended December 31, 2007 and 2006, the Companys only component of comprehensive loss was foreign currency translation adjustments.

n) Advertising Costs

Advertising costs are charged to operations as incurred.

(The accompanying notes are an integral part of these consolidated financial statements)

2. Summary of Significant Accounting Policies (continued)

o) Revenue Recognition

The Company recognizes revenue related to sales and licensing of medical software in accordance with Statement of Position No. 97-2, "Software Revenue Recognition" ("SOP 97-2"), as amended by Statement of Position No. 98-9, "Software Revenue Recognition with Respect to Certain Arrangements". Pursuant to SOP 97-2 and Staff Accounting Bulletin No. 104 "Revenue Recognition", revenue will only be recognized when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed, and collectability is reasonably assured. The Company's revenue contracts are accounted for in conformity with Accounting Research Bulletin No. 45 "Long-Term Construction-Type Contracts" ("ARB 45"), using the relevant guidance in SOP 81-1 "Accounting for Performance of Construction-Type and Certain Production-Type Contracts", unless specified criteria for separate accounting for any service element are met. The Company uses the completed contract method to recognize revenue from long term service contracts. Licensing revenue is recognized if all revenue recognition criteria pursuant to SAB 104 are met. The Company also follows the guidance in Emerging Issues Task Force ("EITF") Issue No. 00-21 "Revenue Arrangements with Multiple Deliverables" relating to the separability of deliverables included in an arrangement into different units of accounting and the allocation of an arrangement's consideration to those units of accounting. It does not address when revenue should be recognized for the units of accounting.

Incremental direct costs related to contract acquisition and origination, which result in deferred revenue, are expensed as incurred. Any significant customer accounts that are not reasonably assured to be collected are excluded from revenues. During the year ended June 30, 2007, the Company licensed technology to a customer for $1,410,600 ($1,500,000 CAD). At December 31, 2007, $1,092,080 ($1,163,000 CAD) has been excluded from revenues as collectability was considered by management to not be reasonably assured. During the six month period ended December 31, 2007, the Company recognized revenue of $441,541 related to a $2,200,000 contract with a customer. Revenue was recognized since customer acceptance or the work completed was obtained and the Company has no further obligations related to this portion of the contract.

p) Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform to the current period's presentation.

q) Income Taxes

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company has adopted SFAS No. 109 "Accounting for Income Taxes" as of its inception. Pursuant to SFAS No. 109 the Company is required to compute tax asset benefits for net operating losses carried forward. The potential benefit of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

r) Warranty

Some of the Company's software or hardware products carry a warranty for the duration of the license term. The Company's liability is limited to the repair or replacement of the defective product and the refund of amounts paid for defective products. The Company establishes reserves for estimated product warranty costs at the time revenue is recognized based upon its historical experience and additionally for any known product warranty issues. At December 31, 2007, management has deemed that no reserve should be accrued. As of December 31, 2007, the Company has not experienced a significant amount of warranty expense.

s) Stock-based Compensation

The Company records stock-based compensation in accordance with SFAS No. 123R "Share Based Payments", using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. Equity instruments issued to employees and the cost of the services received as consideration are measured and recognized based on the fair value of the equity instruments issued.

(The accompanying notes are an integral part of these consolidated financial statements)

2. Summary of Significant Accounting Policies (continued)

t) Recently Adopted Accounting Pronouncements

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statements No. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing a two-step method of first evaluating whether a tax position has met a more likely than not recognition threshold and second, measuring that tax position to determine the amount of benefit to be recognized in the financial statements. FIN 48 provides guidance on the presentation of such positions within a classified statement of financial position as well as on derecognition, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The adoption of this statement did not have a material effect on the Company's financial statements.

u) Recently Issued Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 141R, "Business Combinations". This statement replaces SFAS 141 and defines the acquirer in a business combination as the entity that obtains control of one or more businesses in a business combination and establishes the acquisition date as the date that the acquirer achieves control. SFAS 141R requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. SFAS 141R also requires the acquirer to recognize contingent consideration at the acquisition date, measured at its fair value at that date. This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements Liabilities –an Amendment of ARB No. 51". This statement amends ARB 51 to establish accounting and reporting standards for the Noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company's Company's financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB Statement No. 115". This statement permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS No. 159 apply only to entities that elect the fair value option. However, the amendment to SFAS No. 115 "Accounting for Certain Investments in Debt and Equity Securities" applies to all entities with available-for-sale and trading securities. SFAS No. 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provision of SFAS No. 157, Fair Value Measurements. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements. The objective of SFAS No. 157 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for fair value measurements made in fiscal years beginning after November 15, 2007. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

(The accompanying notes are an integral part of these consolidated financial statements)

3. Advances to Related Parties

	December 31, 2007 $	June 30, 2007 $
Advances to employees	55,256	29,231

Advances to employees represent amounts advanced towards travel expenses to be incurred and are non-interest bearing and unsecured.

4. Prepaid Expenses and Deposits

	December 31, 2007 $	June 30, 2007 $
Directors and officers insurance	□	14,568
Rent	53,537	91,419
Security deposit	4,587	4,232
Other		