FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: **1999-07-27** | Period of Report: **1998-12-31**
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FILER

SIGNATURE MOTORCARS INC /TA

CIK:**1010626**| IRS No.: **751310613** | State of Incorp.:**NV** | Fiscal Year End: **0930**
Type: **10QSB** | Act: **34** | File No.: **084-05642** | Film No.: **99670974**

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UNITED STATES
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 December 31, 1998

[ ] Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the tr

Commission File No. 2-42114

SIGNATURE MOTORCARS, INC.
(Exact Name of Small Business Issuer as Specified in its Charter)

(Formerly International Royalty & Oil Co.)

Nevada	75-1310613
(State or other jurisdiction of incorporation or organization)	(I.R.S.. Employer I.D. No.)

7738 Forest Lane, #102, Dallas, Texas 75230
(Address of principal executive offices) (Zip Code)

(972) 386-7700
Issuer's telephone number, including area code

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 NO XX

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date:

As of July 16, 1999, Signature had outstanding 7,449,835 shares of its common stock, par value $0.0167 per share.

TABLE OF CONTENTS

PART I

PART II

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ITEM 1. FINANCIAL STATEMENTS

The financial statements included herein have been prepared by Signature Motorcars, Inc. without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. However, in the opinion of management, all adjustments (which include only normal recurring accruals) necessary to present fairly the financial position and results of operations for the periods presented have been made. The financial statements should be read in conjunction with the financial statements and notes thereto included in Signature's SEC Form 10KSB for the period ended September 30, 1998.

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SIGNATURE MOTORCARS, INC.
BALANCE SHEETS
(UNAUDITED)

ASSETS

	December 31, 1998	September 30, 1998
Current Assets:		
Cash	$ 53	$ 173
Total Current Assets	53	173
Net Assets from Discontinued Operations	24,446	24,446
TOTAL ASSETS	$ 24,499	$ 24,619

LIABILITIES & STOCKHOLDERS' EQUITY

	December 31, 1998	September 30, 1998
Current Liabilities		
Accounts Payable and accrued Liabilities	$ 10,950	$ 4,800
TOTAL LIABILITIES	10,950	4,800
Stockholders' Equity:		
Common Stock	106,860	106,860
Additional Paid in Capital	7,442,102	7,442,102
Retained Earnings	(7,466,153)	(7,459,883)
	82,809	89,079
Less Treasury Stock	(69,260)	(69,260)
Stockholders' Equity (Deficit)	13,549	19,819
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$ 24,499	$ 24,619

SIGNATURE MOTORCARS, INC.

STATEMENTS OF OPERATIONS
Quarters Ended December 31, 1998 and 1997

(UNAUDITED)

	1998	1997

Revenues:		
Miscellaneous Income	$ -	$ 225
Total Revenues	-	225
Operating Expenses:		
General & Administrative	5,044	6,434
Loss From Operations	(5,044)	(6,209)
Other Income (Expense):		
Interest Expense	900	900
Gain on Sale of Assets	-	25,000
Total Other Income (Expense)	(900)	24,100
Loss From Continuing Operations	(5,944)	17,891
Discontinued Operations	(326)	26
Net Income/(Loss)	$ (6,270)	$ 17,917
Income (Loss) Per Common Share:		
From Continuing Operations	$ (0.00)	$ (0.01)
Net Income/(Loss)	$ (0.00)	$ (0.01)
Weighted Average Common Shares Outstanding	6,398,835	2,972,835

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SIGNATURE MOTORCARS, INC.

STATEMENTS OF CASH FLOWS
Quarters Ended December 31, 1998 and 1997

(UNAUDITED)

<S>	<C> 1998	<C> 1997
Cash flows from operating activities:		
Net Income/(Loss)	$ (6,270)	$ 17,917

Adjustments to reconcile net lost to net cash provided by (used in) operating activities:		
Shares issued for services	-	4,500
Gain on Sale of Assets	-	(25,000)
Changes in operating assets and Liabilities:		
Accrued Liabilities	6,150	-
Net cash provided by (used in) operating activities	(120)	(2,583)
Cash flows from investing activities:		
Proceeds from sale of equity investment	-	25,000
Cash flows from financing activities:		
Issuance of common stock	-	5,000
Net Increase (decrease) in cash and cash equivalents	(120)	27,417
Cash at beginning of period	173	78
Cash at end of period	$ 53	$ 27,495

</TABLE>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Caution Respecting Forward-Looking Information

This Form 10-QSB includes "forward-looking" statements within the meaning of Section 27A of the Securities Act and the Company desires to take advantage of the "safe harbor" provisions thereof. Therefore, the Company is including this statement for the express purpose of availing itself of the protections of such safe harbor provisions with respect to all of such forward-looking statements. The forward-looking statements in this Form 10-QSB reflect the Company's current views with respect to future events and financial performance. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ from those anticipated. In the Form 10-QSB, the words "anticipates," "believes, "expects," "intends," "future" and similar expressions identify forward-looking statements. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that may arise after the date hereof. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this section.

Overview

This discussion should be read in conjunction with Management's Discussion and Analysis of Financial Conditions and Results of Operations in Signature's annual report on Form 10-KSB for the year ended September 30, 1998.

Oil prices continued to decline during the first quarter of the fiscal year so management shifted its focus to securing a merger/acquisition candidate. Management reviewed and investigated more than ten merger candidate possibilities. As of December 31, 1998 no agreements or contracts were formalized or executed.

Signature is suffering from shortages of working capital, indebtedness and due or past due current liabilities. The Company is in need of additional investment capital, strategic alliances, or a sale, or merger/acquisition.

Liquidity and Capital Resources

As discussed in the Overview above and as outlined in the Form 10-KSB for fiscal year September 30, 1998 including its financial statements, the Company's operating losses and its working capital deficit raise doubt about its ability to continue as a going concern.

During the year ended September 30, 1998, the Company began acquiring oil and gas properties with the intention of developing the properties and becoming an oil and gas producer. However, with the drop in oil prices during the period, the Company has decided to discontinue those operations. Accordingly, the oil and gas operations are reported as discontinued in the accompanying statement of operations and the net oil and gas assets are reported in the accompanying balance sheet as net assets of discontinued operations. The Company's assets as of December 31, 1998 were $24,499, and its liabilities were $10,950.

Results of Operations

The Company has suffered continuing net losses from operations and has a deficit in working capital as of December 31, 1998. As explained above, without a merger partner, the Company has nominal operations. The Company is dependant on a merger partner or raising additional funds in order to provide capital for the Company to continue as a going concern. The Company has had nominal revenues from oil and gas activities for the three months ended December 31, 1998 and 1997.

On January 26, 1998, the Company entered into a Letter Agreement with Trebor Resources Co. of Dallas, Texas, for acquisition of 12.5% working interest in an oil and gas concession located in Queensland, Australia. The Company agreed to pay $12,500 for the 12.5% working interests and paid an initial payment of $2,500 on January 26, 1998. The balance will be paid upon notice that Authority to Prospect (ATP) 638 has officially been issued by the Queensland government. The concession, known as ATP 638, is located in the western part of Queensland and covers approximately 130,000 acres. A preliminary seismic evaluation

showed several potential structures on the concession which need to be further evaluated in order to attempt to develop them into possible drillable prospects.

On December 10, 1998 the Company received a Cash Call notice from Trebor Resources Co. regarding the Queensland ATP 638p requiring the Company to pay the balance ($10,000 USD) due Trebor on or before December 31, 1998 per the terms of the January 26, 1998 Letter Agreement between Signature and Trebor. Due to low oil prices (approximately $10.00 per barrel or less) and the Company's financial constraints and expanded focus, the Company was compelled to forfeit its interest in ATP 638p, however, management was able to obtain an understanding with Trebor on December 21, 1998 where they would return the $2,500 to the Company subject to Trebor obtaining favorable funding for the project.

Impact of the Year 2000 Issue

The year 2000 poses certain issues for business and consumer computing, particularly the functionality of software for two-digit storage of dates and special meanings for certain dates such as 9/9/99. The year 2000 is also a leap year, which may lead to incorrect calculations, functions or system failure. The widespread use of computer programs that rely on these two-digit date programs to perform computations and decision-making functions may cause information technology systems to malfunction in and around the year 2000. Such malfunctions may lead to significant business delays in the U.S. and internationally. The problem exists for many kinds of software, including software for mainframes, PCs and embedded systems. Many normal business activities will potentially be impacted because information necessary to monitor and control various operations is controlled by computers.

The Company has studied and tested its technologies systems impacted by the Year 2000 transition. The Company believes that its systems are Year 2000 compliant. However, variability of hardware and software combinations may lead to unforeseen problems. The Company does not believe that any problems that arise with internal systems will be material or will require more than minimal costs to overcome.

The Company's vendors are various and diverse and the bulk of the items purchased by the Company are widely available. There are no problems which are expected to arise due to vendors' failure to be Year 2000 compliant because auxiliary channels should be available to the Company to acquire its supplies, parts and other needs from other vendors should any particular vendor have a problem due to noncompliance.

Due to the nature of the Company's business and its information and accounting systems, costs to bring its systems into compliance have been immaterial.

PART II. - OTHER INFORMATION

NONE

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SIGNATURE MOTORCARS, INC.

Date: July 16, 1999

/s/ William R. Miertschin

By: William R. Miertschin, President, Chief Executive Officer, Principal Accounting Officer, Principal Financial Officer

WARNING: THE EDGAR SYSTEM ENCOUNTERED ERROR(S) WHILE PROCESSING THIS SCHEDULE.

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