

SECURITIES AND EXCHANGE COMMISSION

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: **1999-06-30**
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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.: **99671057**

Mailing Address

268 WEST 400 SOUTH
SUITE 300
SALT LAKE CITY UT 84101

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SUITE 300
SALT LAKE CITY UT 84101
8015758073

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 For the Quarterly Period ended June 30, 1999

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.

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PART 1.

FINANCIAL INFORMATION

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

	June 30, 1999	September 30, 1998
Current Assets:		
Cash	\$ 81	\$ 173
Total Current Assets	81	173
Net Assets from		
Discontinued Operations	24,446	24,446
TOTAL ASSETS	\$ 24,527	\$ 24,619

LIABILITIES & STOCKHOLDERS' EQUITY

Current Liabilities		
Accounts Payable and accrued Liabilities	\$ 15,200	\$ 4,800
TOTAL LIABILITIES	15,200	4,800
Stockholders' Equity:		
Common Stock	124,867	106,860
Additional Paid in Capital	7,367,722	7,442,102
Retained Earnings	(7,483,262)	(7,459,883)
	9,327	89,079
Less Treasury Stock		(69,260)
Stockholders' Equity (Deficit)	9,327	19,819
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 24,527	\$ 24,619

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SIGNATURE MOTORCARS, INC.

STATEMENTS OF OPERATIONS
Quarters Ended June 30, 1999 and 1998

(UNAUDITED)

	Three Months Ended June 30, 1999		Three Months Ended June 30, 1998	
<S>	<C>	<C>	<C>	<C>
Revenues:				
Miscellaneous Income	\$ 90	\$ 230	\$ 60	\$ 335
Total Revenues	90	230	60	335
Operating Expenses:				
General & Administrative	5,120	20,199	10,234	24,201
Loss From Operations	(5,030)	(19,969)	(10,174)	(23,866)
Other Income (Expense):				
Interest Expense	900	2,700	900	4,200
Gain on Sale of Assets	-	-	-	25,000
Total Other Income (Expense)	(900)	(2,700)	(900)	20,800
Loss From Continuing Operations	(5,930)	(22,669)	(11,074)	(3,066)
Discontinued Operations	67	(206)	53	8
Net Income/(Loss)	\$ (5,863)	\$ (22,875)	\$ (11,021)	\$ (3,058)
Income (Loss) Per Common Share:				
From Continuing Operations	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Net Income/(Loss)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted Average Common Shares Outstanding	6,569,470	6,516,561	3,273,835	3,156,502

</TABLE>

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SIGNATURE MOTORCARS, INC.

STATEMENTS OF CASH FLOWS
Quarters Ended June 30, 1999 and 1998

(UNAUDITED)

1999

1998

<S>	<C>	<C>
Cash flows from operating activities:		
Net Income/(Loss)	\$ (22,875)	\$ (3,058)
Adjustments to reconcile net lost to net cash provided by (used in) operating activities:		
Shares issued for services	2,859	-
Changes in operating assets and Liabilities:		
Accrued Liabilities	17,924	14,217
	-----	-----
Net cash provided by (used in) operating activities	(2,092)	11,159
	-----	-----
Cash flows from investing activities:		
Investment in oil and gas properties	-	(20,500)
	-----	-----
Cash flows from financing activities:		
Issuance of common stock	2,000	10,000
	-----	-----
Net Increase (decrease) in cash and cash equivalents	(92)	659
Cash at beginning of period	173	284
	-----	-----
Cash at end of period	\$ 81	\$ 943
	=====	=====

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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 continued to reviewed and investigate additional merger candidate possibilities. As of June 30, 1999 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 June 30, 1999 were \$24,527, and its liabilities were \$15,200.

Results of Operations

The Company has suffered continuing net losses from operations and has a deficit in working capital as of June 30, 1999. 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

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the Company to continue as a going concern. The Company has had nominal revenues from oil and gas activities for the three months ended June 30, 1999 and 1998.

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.
(Registrant)

Date: July 16, 1999

/s/ William R. Miertschin

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

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CONSOLIDATED UNAUDITED CONDENSED FINANCIAL STATEMENTS FILED WITH THE COMPANY'S JUNE 30, 1999 QUARTERLY REPORT ON FORM 10-QSB AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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