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WORLD TRANSPORT AUTHORITY INC

Form 10QSB

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WASHINGTON, D.C. 20549

FORM 10-QSB
Quarterly Report under Section 13 or 15 (d) of
Securities Exchange Act of 1934

For Quarter ended March 31, 2003
Commission File Number 0-23693

WORLD TRANSPORT AUTHORITY, INC.

(Exact name of registrant as specified in its charter)

Alberta, BC 93-1202663
(State of Incorporation) (I.R.S. Employer Identification No.)

140 West Park Avenue, Suite 219
El Cajon, California 92020

(Address of Principal Executive Offices)

(619) 593-2440 Fax: (619) 593-2444

(Registrant's telephone and fax number, including area code)

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), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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

As of March 31, 2003 the registrant had 76,263,553 shares of common stock, no stated par value, issued and outstanding.

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PART I FINANCIAL INFORMATION
ITEM 1. Financial Statements

WORLD TRANSPORT AUTHORITY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
MARCH 31, 2003
(UNAUDITED)

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ASSETS

Current Assets:	
Cash	\$ 1,207
Accounts receivable, net	12,750
Prepaid expenses and other current assets	44,225

Total Current Assets	58,182

Property and Equipment	1,422,067
Less Accumulated Depreciation	1,338,860

	83,207
Other Assets	945

TOTAL ASSETS	\$ 142,334
	=====

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

Current Liabilities:	
Accounts payable	\$ 306,860
Accrued expenses	37,478
Investor deposit	28,900
Due to stockholder	84,432
Obligations under settlement agreements	427,304

Total Current Liabilities	884,974
Deferred license fees	237,000

TOTAL LIABILITIES	1,121,974

Commitments and Contingencies	
Stockholders' Deficiency:	
Common stock: unlimited shares authorized, no par value; 76,263,553 shares issued and outstanding	12,894,799
Deferred compensation	(10,000)
Accumulated Deficit	(13,864,439)

Total stockholders' deficiency	(979,640)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	\$ 142,334
	=====

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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WORLD TRANSPORT AUTHORITY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2003	2002	2003	2002

Revenue:				
Net sales	\$ 0	\$ 5,337	\$ 0	\$ 18,685

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Royalties	0	0	0	10,000
	-----	-----	-----	-----
Totals	0	5,337	0	28,685
Cost of revenue	0	4,230	0	5,121
	-----	-----	-----	-----
Gross profit	0	1,107	0	23,564
	-----	-----	-----	-----
Operating expenses:				
Selling and general	93,758	124,320	377,315	615,996
Depreciation and amortization	43,072	62,318	136,688	199,311
	-----	-----	-----	-----
Totals	136,830	186,638	514,003	815,307
Other income	0	5,751	5,258	16,313
Interest income	0	0	8	0
	-----	-----	-----	-----
Net loss	\$ (136,830)	\$ (179,780)	\$ (508,737)	\$ (775,430)
	=====	=====	=====	=====
Basic and diluted net loss per share	\$ (-)	\$ (-)	\$ (-)	\$ (.01)
	=====	=====	=====	=====
Basic and diluted weighted average shares outstanding	75,955,619	68,339,986	74,633,840	66,737,248
	=====	=====	=====	=====

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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WORLD TRANSPORT AUTHORITY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine months ended March 31,	
	2003	2002
	-----	-----
Operating activities:		
Net loss	\$ (508,737)	\$ (775,430)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	138,058	199,311
Common stock issued for services, bonuses, compensation and charitable contributions	131,000	199,382
Changes in operating assets and liabilities:		
Accounts receivable	(250)	(15,280)
Related party receivable	(200)	7,300
Other assets	8,978	32,509
Due from affiliates	(37,500)	0
Accounts payable	(19,024)	130,390
Accrued expenses	19,615	121,294
Deferred license fees	0	5,000
Obligations under settlement agreements	103,260	0
	-----	-----
Net cash used in operating activities	(164,800)	(95,524)
	-----	-----
Investing activities:		
Sale of property and equipment	12,862	0

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Financing activities:

Advances from related party	54,570	25,208
Proceeds from investor deposits	28,900	0
Payments of capital lease obligation	0	(41,304)
Proceeds from sales of common stock	68,780	112,775
	-----	-----
Net cash provided by financing activities	152,250	96,679
	-----	-----
Net increase in cash	312	1,155
Cash at beginning of period	895	2,447
	-----	-----
Cash at end of period	\$ 1,207	\$ 3,602
	=====	=====

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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WORLD TRANSPORT AUTHORITY, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2003

1. Interim Reporting

In the opinion of management, the accompanying condensed consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the consolidated financial position of World Transport Authority, Inc. and its subsidiaries (the "Company") as of March 31, 2003, their results of operations for three months and nine months ended March 31, 2003 and 2002, and their cash flows for the nine months ended March 31, 2003 and 2002.

Pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC), certain information and disclosures normally included in financial statements prepared in conformity with accounting principles generally accepted in the United States of America have been condensed or omitted from these financial statements, unless significant changes have taken place since the end of the most recent fiscal year. Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company as of June 30, 2002, and for the years ended June 30, 2002 and 2001 included in the Company's Annual Report on Form 10-KSB for the year ended June 30, 2002, that was previously filed with the SEC.

Results for the three and nine months ended March 31, 2003 are not necessarily indicative of the results to be obtained for the full year.

2. Basis of Presentation

As shown in the accompanying condensed consolidated financial statements, the Company had a net loss of \$508,737 and net cash used in operating activities of \$164,800 for the nine months ended March 31, 2003. Management cannot determine whether the Company will become profitable, and whether operating activities will begin to generate cash. If operating activities continue to use substantial amounts of cash, the Company will need additional financing. These matters raise substantial doubt about the ability of the Company to continue as a

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going concern.

Historically, the Company has funded its operations through sales of common stock to private investors and borrowings from a stockholder. Management plans to obtain the funds needed to enable the Company to continue as a going concern through the private sales of common stock and sales of master licenses and manufacturing and distribution licenses. However, management cannot provide any assurance that the Company will be successful in consummating any private sales of common stock or generating sufficient license fee payments from master and manufacturing and distribution licenses.

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The accompanying condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates continuity of operations and realization of assets and satisfaction of liabilities in the ordinary course of business. If the Company is unable to raise additional capital or generate sales of licenses, it may be required to liquidate assets or take actions which may not be favorable to the Company in order to continue operations. The accompanying condensed consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue its operations as a going concern.

RECLASSIFICATION:

Certain amounts in the 2002 consolidated financial statements have been reclassified to conform to the 2003 presentation.

RECENT ACCOUNTING PRONOUNCEMENTS:

In July 2001, the FASB issued Statement of Financial Accounting Standards No. 143 ("SFAS No. 143"), "Accounting for Asset Retirement Obligations." SFAS No. 143 establishes standards associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This statement is effective for financial statements issued for fiscal years beginning after June 15, 2002. The Company has not yet assessed the impact, SFAS No. 143 may have on its financial statements, but does not expect SFAS No. 143 to have a material impact on its financial statements.

In August 2001, the FASB issued Statement of Financial Accounting Standards No. 144 ("SFAS No. 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 addresses financial accounting and reporting for the impairment of long-lived assets and for long-lived assets to be disposed of. The provisions of SFAS No. 144 are effective for financial statements issued for fiscal years beginning after December 15, 2001, and interim periods within these fiscal years, with early adoption encouraged. The Company has implemented the provisions of SFAS No. 144 and has concluded that the adoption does not have a material impact on the Company's financial statements.

During April 2002, the FASB issued Statement No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." This statement rescinds FASB Statement No. 4, "Reporting Gains and Losses from Extinguishments of Debt," and an amendment of that Statement, FASB Statement No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements," and FASB Statement No.

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44, "Accounting for Intangible Assets of Motor Carriers." This Statement amends FASB Statement No. 13, "Accounting for Leases," to eliminate an inconsistency between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. The Company does not expect the adoption of FASB No. 145 to have a material impact on the Company's financial position or results of operations.

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In July 2002, the FASB issued SFAS No. 146 "Accounting for Exit or Disposal Activities." The provisions of this statement are effective for disposal activities initiated after December 31, 2002, with early application encouraged. The Company does not expect the adoption of FASB No. 146 to have a material impact on the Company's financial position or results of operations.

In October 2002, the FASB issued Statement No. 147, "Acquisitions of Certain Financial Institutions—an amendment of FASB Statements No. 72 and 144 and FASB Interpretation No. 9", which removes acquisitions of financial institutions from the scope of both Statement 72 and Interpretation 9 and requires that those transactions be accounted for in accordance with Statements No. 141, Business Combinations, and No. 142, Goodwill and Other Intangible Assets. In addition, this Statement amends SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, to include in its scope long-term customer-relationship intangible assets of financial institutions such as depositor- and borrower-relationship intangible assets and credit cardholder intangible assets. The requirements relating to acquisitions of financial institutions is effective for acquisitions for which the date of acquisition is on or after October 1, 2002. The provisions related to accounting for the impairment or disposal of certain long-term customer-relationship intangible assets are effective on October 1, 2002. The adoption of this Statement did not have a material impact to the Company's financial position or results of operations as the Company has not engaged in either of these activities.

In December 2002, the FASB issued Statement No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure", which amends FASB Statement No. 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this Statement amends the disclosure requirements of Statement 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The transition guidance and annual disclosure provisions of Statement 148 are effective for fiscal years ending after December 15, 2002, with earlier application permitted in certain circumstances. The interim disclosure provisions are effective for financial reports containing financial statements for interim periods beginning after December 15, 2002. The adoption of this statement did not have a material impact on the Company's financial position or results of operations as the Company has not elected to change to the fair value based method of accounting for stock-based employee compensation. During the nine and three months ended February 28, 2003, there were no employee stock options issued or outstanding that would require disclosure.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities." Interpretation 46 changes the criteria by which one company includes another entity in its consolidated

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financial statements. Previously, the criteria were based on control through voting interest. Interpretation 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. A company that consolidates a variable interest entity is called the primary beneficiary of that entity. The consolidation requirements of Interpretation 46 apply immediately to variable interest entities created after January 31, 2003. The consolidation requirements apply to older entities in the first fiscal year or interim period beginning after June 15, 2003. Certain of the disclosure requirements apply in all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. The Company does not expect the adoption to have a material impact to the Company's financial position or results of operations.

3. MASTER LICENSE AND MANUFACTURING AND DISTRIBUTION LICENSES

Activities of the Company did not result in the execution of additional license agreements during the quarter ended March 31, 2003.

4. Related party transactions:

The Company has an outstanding stockholder loan of \$84,432 at March 31, 2003, which is unsecured, non-interest bearing and due on demand. During the nine months ended March 31, 2003 the stockholder loaned \$54,570 to the Company. This total for the stockholder's loan includes the fiscal year end outstanding balance of \$29,862.

The Company advanced \$41,800, included in prepaid expenses and other current assets, to CBN Philippines as of March 31, 2003. CBN is under contract with the WTA to produce the WorldStar micro-manufacturing factories for the Company. This advance will be repaid on a monthly basis through income received by CBN, or deducted from the first order for a factory or factories from CBN for delivery to a WTA Licensee.

5. Common Stock Transactions:

Stock issued for services:

During the three months and nine months ended March 31, 2003, the Company issued 250,000 shares and 550,000 shares, respectively, of common stock to various independent contractors for services rendered and to be provided. The stock was issued at market value ranging from \$.04 to \$.05 per share during the nine month period ended March 31, 2003. Compensation expense associated with this issuance amounted to \$10,000 and \$25,000 during the three and nine months ended March 31, 2003, respectively. During the nine months ended March 31, 2003, \$25,000 was expensed. The remaining \$10,000 has been deferred as a contra-equity account and will be amortized into expense over the service period.

In addition to the amounts for stock issued for services, the Company issued no shares and 1,520,000 shares of common stock to various

officers and employees during the three and nine months ended March 31, 2003, respectively, at the market value ranging from \$.05 per share to \$.08 per share. This issuance included 1,000,000 shares recorded as of fiscal year-end June 30, 2002 but not yet issued as of the fiscal year-

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ended June 30, 2002. Compensation expense associated with this issuance amounted to \$106,000 for the nine-month period ended March 31, 2003.

Sale of stock:

For the three months and nine months ended March 31, 2003, the Company issued 954,958 shares and 1,319,958 shares, respectively, of common stock. The stock was issued at market value, which varied from \$.05 per share to \$.07 per share during the three-month period, and \$.04 per share to \$.07 per share during the nine-month period ended March 31, 2003, in exchange for \$51,000 and \$68,700, respectively.

6. Litigation

On February 25, 2003, the United States Securities and Exchange Commission filed an action in the Southern District of New York against Douglas Norman. The complaint alleges Mr. Norman violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. SSSS 77e(a) and (c), and 77q(a)]; Sections 10(b), 13(d) and 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. SSSS 78j(b), 78m(d) and 78p(a)], and Exchange Act Rules 10b-5, 13d-1 and 16a-3 [17 C.F.R. SSSS 240.10b-5, 240.13d-1, and 240.16a-3]. The complaint additionally alleges that Mr. Norman is also liable as a controlling person, pursuant to Section 20(a) of the Exchange Act [15 U.S.C. SS 78t(a)], for WTA's violations of Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. SSSS 77e(a) and (c)], and for WTA's violations of Sections 10(b) and 13(a) of the Exchange Act [15 U.S.C. SSSS 78j(b) and 78m(a)], and Exchange Act Rules 10b-5, 12b-20, 13a-1, and 13a-13 [17 C.F.R. SSSS 240.10b-5, 240.12b-20, 240.13a-1, and 240.13a-13]. As a result of this action, Mr. Norman has resigned his position as head of International Sales for the Company.

At March 31, 2003, the Company had outstanding legal settlements with former employees and the former Lessor for the Company's previous office space. Subsequent to March 31, 2003, two former vendors filed judgements against the Company for outstanding balances owed by the Company. The Company has carried the outstanding balances owed to these vendors as a liability since receipt of their bills. The total amount of these judgements is \$14,899 including court costs and additional fees.

During the three months ended March 31, 2003, the Company received notice that a Hearing was scheduled with the State of California Division of Labor Standards regarding unpaid wages to a former employee. The hearing was initially scheduled for April 16, 2003, but later postponed to June 5, 2003. The Company has carried the unpaid wages as a liability since incurred. The unpaid wages plus penalties and interest is equal to \$6,717.

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ITEM 2: Management's Discussion and Analysis of Financial Condition and Results of Operations.

Significant Accounting Policies

The Company's discussion and analysis of its financial condition and results of operations are based upon its consolidated financial statements, prepared in accordance with accounting principles generally accepted in the United States. In the preparation of these financial

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statements, management is required to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent liabilities. Management evaluates its estimates, including those that relate to bad debts, revenue recognition and litigation, as they relate to trends, events and uncertainties that would have a material impact on the reported financial information. Management bases its estimates on historical experience and on various other assumptions believed to be reasonable under the circumstances. The results of these estimates and assumptions form the basis for making judgments about the values of assets and liabilities not apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. If actual results significantly differ from management's estimates, the Company's financial condition and results of operations could be materially impaired.

The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements. The Company derives revenues primarily from license fees paid for Manufacturing and Distribution factories to produce the WorldStar vehicle, royalties and parts distribution fees. Because the business of the Company is to partner with licensees in the developing nations, and because the laws regarding monetary distributions and the expatriation of funds from these countries may vary, the ease of collection of monies owed can differ significantly from businesses that operate on a domestic basis.

The Company has previously generated revenues through sales of licenses, selling or arranging for the sale of auto parts to licensees, freight charges and royalties from license agreements. The Company does not recognize revenue for license fees until the Company has fulfilled the obligations set forth under the terms of the License Agreement. Therefore, until the Company's work is completed and the licensee is producing vehicles, any license fees deposited with the Company are recorded as Deferred License Fees and carried as a liability. It is determined that until the obligations are met, the Company has not earned the fees as income.

The Company recognizes royalty revenue based upon the production and/or sale of vehicles when earned. The royalty revenue calculation is based on production reports from the licensees. Verification of the actual production level of the licensee can only be done by traveling to the factory location. Because the Company partners with licensees in developing nations, the travel expenses associated with this verification are more extensive than for a company doing business domestically.

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The Company provides for an allowance for doubtful accounts based on historical experience and the aging of the receivable.

Financial condition and liquidity:

As shown in the financial statements, the Company incurred a net loss of \$508,737 and used cash in operating activities of \$164,800 for the nine months ended March 31, 2003. Management cannot determine when the Company will become profitable, if ever, and when operating activities will begin to generate cash, if ever. If operating activities continue to use substantial amounts of cash, the Company will need additional financing. These matters raise substantial doubt about the ability of the Company to continue as a going concern.

Historically, the Company has funded its operations through sales

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of common stock to private investors and borrowings from a stockholder. Management plans to obtain the funds needed to enable the Company to continue as a going concern through the private sales of common stock and sales of master licenses and manufacturing and distribution licenses. However, management cannot provide any assurance that the Company will be successful in consummating any private sales of common stock or generating sufficient license fee payments for master and manufacturing and distribution licenses.

The consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates continuity of operations, realization of assets and satisfaction of liabilities in the ordinary course of business. If the Company is unable to raise additional capital or generate sales of licenses, it may be required to liquidate assets or take actions, which may not be favorable to the Company, in order to continue operations. The accompanying consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue its operations as a going concern.

As of March 31, 2003, the Company had \$1,207 cash on hand and in the bank. The primary sources of cash and financing for the Company for the nine months then ended were \$68,780 from sales of common stock and \$54,570 from a stockholder loan. The primary uses of cash during that period were \$164,800 to finance the Company's operations. The Company currently maintains a positive cash balance through sales of common stock.

Results of operations:

The Company did not generate revenue during the nine months ended March 31, 2003, a decrease from its total revenue of \$28,685 during the nine months ended March 31, 2002. Revenue from the nine-months ended March 31, 2002 consisted of freight income and royalty income. The Company has experienced a decrease in revenue in the nine-months ended March 31, 2003 as compared to the nine months ended March 31, 2002. While there have been License Agreements negotiated during this period, no new Master or Standard Manufacturing and Distribution Licenses have been executed, therefore no factories have been ordered, and no license sales have been recorded.

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The Company sustained a net loss of \$508,737 for the nine months ended March 31, 2003 compared to a net loss of \$775,430 for the nine months ended March 31, 2002. A decrease of 34% in net loss was primarily due to the continued effort on the part of management to streamline the operations of the Company until cash flow improves. Expenses that have been reduced as compared to the same nine-month period last year, include: contributions, depreciation, commissions, consulting, legal, rent, utilities, travel expenses, shop and production expenses, and professional fees which include general consulting, production and logistics consulting expenses.

The WorldStar utility vehicle was designed to run on gasoline, propane or natural gas. The advantages of the propane or natural gas is the availability of the fuel in developing nations, as well as the key benefit of reduced emissions, which is significant in metropolitan areas of developing countries, where vehicle emissions negatively impact areas already seriously affected with air pollution problems. In developing areas, much of the working population lives on the outskirts of the cities, increasing the need to transport workers to the industrial and commercial hubs. Transportation is often available only on poorly

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maintained vehicles on crowded streets with long waits, high fuel consumption and excessive emissions. Most private travel in developing nations is for the purpose of essential trips and transportation to work, rather than leisure activities. There is a definitive need for transportation forms in these locations that are less polluting.

The Company's research into other alternative fuel options has lead the Company to several sources for mechanisms to operate the WorldStar utility vehicle using unique hydrogen technology. Currently, the Company continues negotiations to enter into an agreement to utilize the hydrogen technology in the WorldStar utility vehicle worldwide. The successful completion of these negotiations will result in the WorldStar being ideally suited for the transportation needs in developing nations. Many developing nations are very concerned about the expanding pollution problem and are looking for viable solutions in the transportation area to reduce emissions and improve air conditions for the sake of their citizens. This hydrogen technology offers a prospective solution to these concerns.

The Cooperative Union of the Philippines (CUP) is evaluating a number of options for launching their development of the WorldStar project. Some of the cooperatives that are interested in entering into a license to produce WorldStar vehicles are anxious to see more WorldStar vehicles in use in the Philippines before entering into a commitment. CUP is evaluating the purchase of a small fleet of WorldStar vehicles to be put to use as taxis. In this manner, a durable, rust free and low cost vehicle can be used to put people to work. At the same time it puts additional WorldStar vehicles on the road to further the name recognition and familiarity with the WorldStar vehicle.

The Company continues negotiations for the Economic Development License program for the WorldStar vehicle. This program will provide additional benefits in many developing nations by combining the

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production of the WorldStar vehicle with an incubator program designed to train candidates to operate transportation businesses. The Company anticipates that licensing Non-Profit organizations to develop this program will lead to research into various funding sources for these potential licensees with the International Monetary Fund and the World Bank.

ITEM 3. CONTROLS AND PROCEDURES

Within 90 days prior to the date of this quarterly report for the period ended March 31, 2003, the Company carried out an evaluation of the design and effectiveness of the Company's disclosure controls and procedures, pursuant to Rule 13 a-14 of the Securities Exchange Act of 1934. This evaluation took place under the supervision and with the participation of the Company's management, including the Chief Executive Officer and President of the Company. Based on these evaluations the principal executive officers concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company, including the consolidated subsidiaries, required to be included in the Company's periodic SEC filings. There were no significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation.

PART II. OTHER INFORMATION

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ITEM 1. Legal Proceedings.

On February 25, 2003, the United States Securities and Exchange Commission filed an action in the Southern District of New York against Douglas Norman. The complaint alleges Mr. Norman violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. SSSS 77e(a) and (c), and 77q(a)]; Sections 10(b), 13(d) and 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. SSSS 78j(b), 78m(d) and 78p(a)], and Exchange Act Rules 10b-5, 13d-1 and 16a-3 [17 C.F.R. SSSS 240.10b-5, 240.13d-1, and 240.16a-3]. The complaint additionally alleges that Mr. Norman is also liable as a controlling person, pursuant to Section 20(a) of the Exchange Act [15 U.S.C. SS 78t(a)], for WTA's violations of Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. SSSS 77e(a) and (c)], and for WTA's violations of Sections 10(b) and 13(a) of the Exchange Act [15 U.S.C. SSSS 78j(b) and 78m(a)], and Exchange Act Rules 10b-5, 12b-20, 13a-1, and 13a-13 [17 C.F.R. SSSS 240.10b-5, 240.12b-20, 240.13a-1, and 240.13a-13]. As a result of this action, Mr. Norman has resigned his position as head of International Sales for the Company.

At March 31, 2003, the Company had outstanding legal settlements with former employees and the former Lessor for the Company's previous office space. Subsequent to the end of the quarter, two former vendors filed judgements against the Company for outstanding balances owed by the Company. The Company has carried the outstanding balances owed to these vendors as a liability since receipt of their bills. The total amount of these judgements is \$14,899 including court costs and additional fees.

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During the three months ended March 31, 2003, the Company received notice that a Hearing was scheduled with the State of California Division of Labor Standards regarding unpaid wages to a former employee. The hearing was initially scheduled for April 16, 2003, but later postponed to June 5, 2003. The Company has carried the unpaid wages as a liability since incurred. The unpaid wages plus penalties and interest is equal to \$6,717.

ITEM 2-4. Not applicable.

ITEM 5. Other Information.

ITEM 6. Exhibits and Reports on Form 8-K.

a. A Form 8-K was filed by the Company on March 3, 2003, with an amended 8-K filed on March 5, 2003 regarding the resignation of J. H. Cohn as the Company's independent accountant.

SIGNATURE

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WORLD TRANSPORT AUTHORITY, INC.

Date: May 20, 2003

/s/ Lyle Wardrop

Lyle Wardrop

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President, Director

CERTIFICATION PURSUANT TO
18 USC, SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 302 AND 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Lyle Wardrop, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of World Transport Authority, Inc.;
2. To the best of 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;
3. To the best of 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.

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4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and I have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the Company, 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 Company's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report; and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation of that date;
5. I have disclosed, based on our most recent evaluation, to the Company's auditors and the board of directors:
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the Company'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 Company's internal controls; and
6. 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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7. This report on Form 10-QSB fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934.

Dated: May 20, 2003

By: /s/ Lyle Wardrop

Lyle Wardrop
Chief Executive Officer
Chief Accounting Officer