

AMERICAN PETRO-HUNTER INC
Form 10QSB
September 03, 2003

FORM 10-QSB

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2003

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES

EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 0-22723

AMERICAN PETRO-HUNTER INC.

(Formerly Travelport Systems Inc.)

(Exact name of registrant as specified in its charter)

NEVADA

(State of incorporation)

98-0171619

(IRS Employer ID No.)

Suite 205 – 16055 Fraser Highway

Surrey, British Columbia, Canada V3S 2W9

(Address of principal executive offices) (Zip Code)

Edgar Filing: AMERICAN PETRO-HUNTER INC - Form 10QSB

Registrant's telephone number, including area code: (604) 507-2181

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 X No

As of August 15, 2003, the Registrant had 6,050,639 shares of Common Stock outstanding.

Transitional Small Business Disclosure Format (check one); Yes No X

THE REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION AND IS THEREFORE FILING THIS FORM WITH THE REDUCED DISCLOSURE FORMAT.

CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Item 2. Management's Discussion and Analysis or Plan of Operation

Item 3. Controls and Procedures

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Item 2. Changes in Securities

Item 3. Defaults Upon Senior Securities

Item 4. Submission of Matters to a Vote of Security Holders

Item 5. Other Information

Item 6. Exhibits and Reports on Form 8-K

Part I. Financial Information

Item 1. Financial Statements.

Consolidated Balance Sheet

| | 6Months Ended | 12 Months |
|--|---------------|----------------|
| | June 30, 2003 | Ended December |
| | (Unaudited) | 31, 2002 |

Assets

Current

| | | | | |
|------|----|----|----|---|
| Cash | \$ | 58 | \$ | 8 |
|------|----|----|----|---|

Edgar Filing: AMERICAN PETRO-HUNTER INC - Form 10QSB

| | | |
|-------------------------|--------|--------|
| Accounts receivable | 176 | 125 |
| | 234 | 133 |
| Intangible Assets (Net) | 1 | 1 |
| | \$ 235 | \$ 134 |

Liabilities

Current

| | | |
|--|------------|------------|
| Bank Indebtedness | \$ -- | \$ -- |
| Accounts payable and accrued liabilities | \$ 194,423 | \$ 197,314 |
| | 194,423 | 197,314 |

Stockholders' Deficiency

| | | |
|--|-----------|-----------|
| | 2,900,424 | 2,874,624 |
|--|-----------|-----------|

Edgar Filing: AMERICAN PETRO-HUNTER INC - Form 10QSB

Capital stock - Authorized 200,000,000 common, par \$.001,
 Issued 6,050,639 shares (2002 - 5,400,639)

| | | |
|---------|-------------|-------------|
| Deficit | (3,094,612) | (3,071,804) |
| | (194,423) | (197,170) |
| | \$ 235 | \$ 134 |

Interim Consolidated Statement of Loss and Deficit

(Unaudited)

| | 3 Months Ended | | 6 Months Ended | | Inception January 4, 1996 to June 30, 2003 |
|--------------------------------------|----------------|------------------|----------------|------------------|--|
| | 2003 | June 30, 2002 | 2003 | June 30, 2002 | |
| Product Sales | \$ -- | \$ -- | \$ -- | \$ -- | \$ 590,081 |
| Cost of Goods Sold | -- | -- | -- | -- | 302,963 |
| Gross Margin | -- | -- | -- | -- | 287,118 |
| Expenses | | | | | |
| Amortization | -- | -- | -- | -- | 109,238 |
| Administration | 6,199 | 6,279 | 10,313 | 21,008 | 1,567,180 |
| Executive Compensation | 4,558 | 10,282 | 11,793 | 19,691 | 380,074 |
| Finders Fees | -- | -- | -- | -- | 48,000 |
| Interest on long term debt | -- | -- | -- | -- | 18,904 |
| Rent | 518 | 434 | 702 | 810 | 121,277 |
| Research & development (recovery) | -- | -- | -- | -- | 566,875 |
| | 11,275 | 16,995 | 22,808 | 41,509 | 2,811,548 |
| Loss from operations | (11,275) | (16,995) | (22,808) | (41,509) | (2,524,430) |

Edgar Filing: AMERICAN PETRO-HUNTER INC - Form 10QSB

| | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| Advances to Travelport Media | -- | -- | -- | -- | (327,451) |
| Recovery of amortization of intangible | -- | -- | -- | -- | 50,400 |
| Write down investment in AEI | -- | -- | -- | -- | (4,062) |
| Trucolor | | | | | |
| Loss from discontinued operations | -- | -- | -- | -- | (14,350) |
| Loss on sale of subsidiary | -- | -- | -- | -- | (273,099) |
| Loss for the period | (11,275) | (16,995) | (22,808) | (41,509) | (3,092,992) |
| Income taxes | -- | -- | -- | -- | (1,620) |
| Net Loss | (11,275) | (16,995) | (22,808) | (41,509) | (3,094,612) |
| Deficit, beginning of period | (3,083,337) | (3,066,654) | (3,071,804) | (3,042,140) | -- |
| Deficit, end of period | \$ (3,094,612) | \$ (3,083,649) | \$ (3,094,612) | \$ (3,083,649) | \$ (3,094,612) |

Interim Consolidated Statement of Cash Flows

(Unaudited)

| | 3 Months Ended | | 6 Months Ended | | Inception |
|--|----------------|-------------|----------------|-------------|------------------|
| | June 30, | | June 30, | | January 4, 1996 |
| | 2003 | 2002 | 2003 | 2002 | to June 30, 2003 |
| Cash Provided by (Used for) | | | | | |
| Operating Activities | | | | | |
| Loss from continuing operations | \$ (11,275) | \$ (16,995) | \$ (22,808) | \$ (41,509) | \$ (2,729,094) |
| Items not affecting cash | | | | | |
| Amortization | -- | -- | -- | -- | 53,837 |
| Write down investment in AEI | -- | -- | -- | -- | 4,062 |
| Trucolor | | | | | |
| Recovery of amortization of intangible | -- | -- | -- | -- | (50,400) |
| Compensation stock purchase warrants issued | -- | -- | -- | -- | 80,000 |
| Stock purchase warrants issued for finder's fees | -- | -- | -- | -- | 48,000 |
| Changes in working capital | | | | | |
| Accounts receivable | 474 | 385 | (51) | (76) | (176) |
| Accounts payable | 10,924 | 16,744 | 22,909 | 41,568 | 1,924,125 |
| Discontinued operations | -- | -- | -- | -- | (365,519) |

Edgar Filing: AMERICAN PETRO-HUNTER INC - Form 10QSB

| | | | | | |
|------------------------------------|-------|-------|-------|-------|-------------|
| | 123 | 134 | 50 | (17) | (1,035,165) |
| Financing Activities | | | | | |
| Issuance of common shares for cash | -- | -- | -- | -- | 1,130,955 |
| Shares issued costs | -- | -- | -- | -- | (95,732) |
| | -- | -- | -- | -- | 1,035,223 |
| Increase (Decrease) in Cash | 123 | 134 | 50 | (17) | 58 |
| Cash (Bank Indebtedness) | | | | | |
| Beginning of period | (65) | (113) | 8 | 38 | -- |
| End of Period | \$ 58 | \$ 21 | \$ 58 | \$ 21 | \$ 58 |

Supplemental Disclosure on non-cash financing and investing activities

During the period ended June 30, 2003, the Company issued 430,000 shares (March 31, 2002 - nil) common shares for non-cash consideration of debt owing for services provided to the Company in the amount \$25,800 (June 30, 2002 - nil).

The foregoing unaudited financial statements contain all adjustments considered necessary by management to make the financial statements not misleading.

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles and the rules and regulations of the Securities and Exchange Commission for interim financial information. Accordingly, they do not include all the information necessary for a comprehensive presentation of financial position and results of operations.

It is management's opinion, however that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statements presentation. The results for the interim period are not necessarily indicative of the results to be expected for the year.

For further information, refer to the financial statements and footnotes for the year ended December 31, 2001 included in the Company's form 10 KSB filed on or about April 15, 2003.

(a)

Liquidity

Edgar Filing: AMERICAN PETRO-HUNTER INC - Form 10QSB

The Company is experiencing illiquidity and has been dependent upon shareholders to provide funds to maintain its activities. The shareholders have provided \$1,418,721 to June 30, 2003, and were repaid \$53,230 during 1999, \$1,009,889 in 2000, and \$325,579 in 2001, leaving a balance of \$30,023, which is included in accounts payable. There are no specific terms of repayment.

(b) Capital Resources

The Company had a working capital deficiency of \$194,189 at June 30, 2003. As noted above, the Company is receiving funding from shareholders.

(c) Results of Operations

For the six-months ended June 30, 2003, the Company incurred a net loss of \$22,808.

Administration expenses for the three-month period amounted to \$10,313, compared to \$21,008 in the same period of 2002.

Item 2. Management's Discussion and Analysis or Plan of Operation

Liquidity

The Company is experiencing illiquidity and has been dependent upon shareholders to provide funds to maintain its activities. The shareholders have provided \$1,418,721 to June 30, 2003, and were repaid \$53,230 during 1999, \$1,009,889 in 2000, and \$325,579 in 2001, leaving a balance of \$30,023, which is included in accounts payable. There are no specific terms of repayment.

Capital Resources

The Company had a working capital deficiency of \$194,189 at June 30, 2003. As noted above, the Company is receiving funding from shareholders.

Results of Operations

Edgar Filing: AMERICAN PETRO-HUNTER INC - Form 10QSB

For the six-months ended June 30, 2003, the Company incurred a net loss of \$22,808.

Administration expenses for the three-month period amounted to \$10,313, compared to \$21,008 in the same period of 2002.

Item 3. Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on an evaluation conducted within 90 days prior to the filing date of this quarterly report on Form 10-QSB, that the Company's disclosure controls and procedures have functioned effectively so as to provide those officers the information necessary whether:

(i) this quarterly report on Form 10-QSB contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report on Form 10-QSB, and

(ii) the financial statements, and other financial information included in this quarterly report on Form 10-QSB, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report on Form 10-QSB.

There have been no significant changes in the Company's internal controls or in other factors since the date of the Chief Executive Officer's and Chief Financial Officer's evaluation that could significantly affect these internal controls, including any corrective actions with regards to significant deficiencies and material weaknesses.

Part II - Other Information

Item 1 - Legal Proceedings

None

Item 2 - Changes in Securities

None.

Item 3 - Default Upon Senior Securities

There are no defaults to report.

Item 4 - Submission of Matters to a Vote of Security Holders

None

Item 5 - Other Information.

None

Item 6: Exhibits and Reports on Form 8-K

Exhibit 99.1 - CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

Exhibit 99.2 - Certifications pursuant to the requirements of Rule 13a-14 of the Securities Exchange Act of 1934

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.

AMERICAN PETRO-HUNTER INC.

(Formerly Travelport Systems Inc.)

Dated: September 3, 2003

/s/ Patrick A. McGowan

Edgar Filing: AMERICAN PETRO-HUNTER INC - Form 10QSB

Patrick A. McGowan, President

/s/ Peter G. Rook-Green

Peter G. Rook-Green, Chief Financial Officer

Exhibit 99.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of American Petro-Hunter, Inc. (the "Company") on Form 10-QSB for the period ending June 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Patrick A. McGowan, President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Patrick A. McGowan

Patrick A. McGowan

Dated: September 3, 2003

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of American Petro-Hunter, Inc. (the "Company") on Form 10-QSB for the period ending June 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter G. Rook-Green, President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Peter G. Rook-Green

Peter G. Rook-Green

Dated: September 3, 2003

Exhibit 99.2

Pursuant to the requirements of Rule 13a-14 of the Securities Exchange Act of 1934, as amended, Patrick A. McGowan provides the following certification.

I, Patrick A. McGowan, President of American Petro-Hunter, Inc. ("Company"), certify that:

Edgar Filing: AMERICAN PETRO-HUNTER INC - Form 10QSB

1. I have reviewed this quarterly report on Form 10-QSB of the Company;
2. Based on 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 with respect to the period covered by this quarterly report;
3. Based on 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 Company as of, and for, the periods presented in this quarterly report;
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 have designed such disclosure controls and procedures to ensure that material information relating to the Company is made known to me by others, particularly during the period in which this quarterly report is being prepared;
5. I have disclosed, based on my most recent evaluation, to the Company's auditors and the audit committee of our board of directors (or persons performing the equivalent functions):
 - 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 Company'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 my most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: September 3, 2003

/s/ Patrick A. McGowan

Patrick A. McGowan, President

Pursuant to the requirements of Rule 13a-14 of the Securities Exchange Act of 1934, as amended, Peter G. Rook-Green provides the following certification.

I, Peter G. Rook-Green, Chief Financial Officer of American Petro-Hunter, Inc. ("Company"), certify that:

1. I have reviewed this quarterly report on Form 10-QSB of the Company;
2. Based on 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 with respect to the period covered by this quarterly report;
3. Based on 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 Company as of, and for, the periods presented in this quarterly report;
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 have designed such disclosure controls and procedures to ensure that material information relating to the Company is made known to me by others, particularly during the period in which this quarterly report is being prepared;
5. I have disclosed, based on my most recent evaluation, to the Company's auditors and the audit committee of our board of directors (or persons performing the equivalent functions):

Edgar Filing: AMERICAN PETRO-HUNTER INC - Form 10QSB

- 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 Company'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 my most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: September 3, 2003

/s/ Peter G. Rook-Green

Peter G. Rook-Green, CFO