

Edgar Filing: GLOBAL CONCEPTS, LTD. - Form 10QSB

GLOBAL CONCEPTS, LTD.
Form 10QSB
November 12, 2004

U. S. 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 September 30, 2004

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 0-25319

GLOBAL CONCEPTS, LTD.

(Name of Small Business Issuer in its Charter)

Colorado

84-1191355

(State or Other Jurisdiction of (I.R.S. Employer I.D. No.)
incorporation or organization)

14 Garrison Inn Lane, Garrison, NY 10524

(Address of Principal Executive Offices)

Issuer's Telephone Number: (845) 424-4100

Transportation Logistics Int'l, Inc.

(Former Name, if Changed Since Last Report)

136 Freeway Drive East, East Orange, NJ 07018

(Former Address, if Changed Since Last Report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Sections 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

APPLICABLE ONLY TO CORPORATE ISSUERS: Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date:

November 12, 2004
Common Voting Stock: 50,000,000

Transitional Small Business Disclosure Format (check one): Yes No

PART I - FINANCIAL INFORMATION

Edgar Filing: GLOBAL CONCEPTS, LTD. - Form 10QSB

GLOBAL CONCEPTS LTD AND SUBSIDIARIES
 CONSOLIDATED CONDENSED BALANCE SHEET
 SEPTEMBER 30, 2004

ASSETS		2004

CURRENT ASSETS		
Cash	\$	227

Total current assets		227

OTHER ASSETS		
Deposit on acquisition		250,000
Goodwill		23,524

Total other assets		273,524

TOTAL ASSETS	\$	273,751
		=====
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$	135,509
Notes payable		350,000
Convertible debentures		200,000
Net liabilities of discontinued operations		1,265,927

Total current liabilities		1,951,436
Loan payable		1,076,619

Total liabilities		3,028,055
STOCKHOLDERS' DEFICIT		
Preferred stock, \$ no par value, ; 5,000,000 shares authorized, and 1,000,000 shares issued and outstanding		10,000
Common stock, no par value, 50,000,000 shares authorized, 47,000,000 shares issued and 47,000,000 outstanding		4,405,644
Additional paid-in capital		36,748
Deficit		(5,807,780)
Consulting services to be provided		(1,398,916)

Total stockholders' deficit		(2,754,304)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$	273,751
		=====

Edgar Filing: GLOBAL CONCEPTS, LTD. - Form 10QSB

The accompanying notes are an integral part of these consolidated condensed financial statements.

-2-

GLOBAL CONCEPTS LTD. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003

	Three Months Ended		Nine Months Ended	
	2004	2003	2004	2003
Revenues	\$ -	\$ -	\$ 10,350	\$ -
Operating expenses	-	-	-	-
Gross profit	-	-	10,350	-
Operating expenses				
Selling, general and administrative	36,861	-	86,382	-
Stock issued for consulting services	33,501	-	301,084	123,550
Total operating expenses	70,362	-	387,466	123,550
Loss before discontinued operations	(70,362)	-	(377,116)	(123,550)
Income (loss) from discontinued operations	-	-	-	(357,046)
Net (loss)	(70,362)	-	(377,116)	(480,596)
Earnings per share				
(Loss) from continuing operations	(0.01)	-	(0.01)	-
(Loss) from discontinued operations	-	-	-	(0.01)
Basic and diluted earnings per share	(0.01)	-	(0.01)	(0.02)
Weighted average number of common shares outstanding basic and diluted	46,412,721	40,396,338	42,522,254	40,396,338

The accompanying notes are an integral part of these consolidated condensed financial statements.

Edgar Filing: GLOBAL CONCEPTS, LTD. - Form 10QSB

-3-

GLOBAL CONCEPTS LTD AND SUBSIDIARIES
 CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003

	Nine Months Ended September 30,	
	2004	2003

CASH FLOWS FROM OPERATING ACTIVITIES		
Continued	\$ (377,116)	\$ -
Discontinued	-	(2,757)
Amortization of stock based compensation	301,084	-
Adjustments to reconcile net (loss) to net cash used in operating activities		
(Increase) in investment	(250,000)	-
Increase in accounts payable and accrued expenses	3,121	-

Net cash (used in) operating activities	(322,911)	(2,757)

CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable-net	321,574	-
Payment of net liabilities of discontinued operations	(100,000)	-
Proceeds from note payable	100,000	-

Net cash provided by financing activities	321,574	-

NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(1,337)	(2,757)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	1,564	2,757

CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 227	\$ -
	=====	

The accompanying notes are an integral part of these consolidated condensed financial statements.

-4-

Global Concepts, Ltd. and Subsidiaries
 Notes to the Consolidated Condensed Interim Financial Statements

BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim

Edgar Filing: GLOBAL CONCEPTS, LTD. - Form 10QSB

financial information and with the instructions to Item 310 of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

DISCONTINUATION OF OPERATIONS

As of June 30, 2003 the Company had discontinued all of its operations that existed prior to that date. Historical results for periods prior to June 30, 2003 have been restated, therefore, to reflect the discontinuation.

ACQUISITION OF ADVANCED MEDICAL DIAGNOSTICS, LLC

On June 1, 2004 the Company acquired the entire membership interest in Advanced Medical Diagnostics LLC ("AMD"). AMD is engaged in the business of manufacturing and distributing the "Advanced Medical Diagnostics HIV (1 & 2) Rapid Test." The membership interests in AMD were acquired by the Company in exchange for 100,000 shares of the Company's common stock. The Company also agreed to issue 500,000 shares of its common stock to the management of AMD as employment incentives.

DEPOSIT TOWARD ACQUISITION OF CLTA

In September 2004 the Company entered into an agreement to acquire sixty percent (60%) of the capital stock of Compagnie Logistique de Transports Automobiles ("CLTA"). CLTA is a French corporation located in Nugent sur Oise, France. Its principal business is warehousing automobiles for Peugeot and Citroen, then completing the final dealer preparation work before the automobiles are delivered. The Company paid a deposit of \$250,000 pursuant to the agreement, which is recorded on the Company's balance sheet as "Deposit on acquisition."

The Company borrowed the funds used to pay the deposit from Kevin Waltzer, a shareholder of the Company. The terms on which the Company will repay Mr. Waltzer have not been determined.

-5-

SUBSEQUENT EVENT - ACQUISITION OF CLTA

On October 1, 2004 the Company completed its acquisition of 60% of CLTA by paying \$250,000 in addition to the deposit of \$250,000 previously paid. The Company also agreed to loan up to \$500,000 to CLTA if requested by the Board of Directors of CLTA prior to December 31, 2004. The Company also agreed to guarantee a lease of ten trucks/trailers needed to fulfill CLTA's new contract with CAT/Peugeot.

The Company borrowed the additional \$250,000 used to purchase CLTA from Kevin Waltzer, bringing to \$500,000 the Company's total debt to Mr. Waltzer. The terms on which the Company will repay Mr. Waltzer have not been determined.

SUBSEQUENT EVENT - ACQUISITION OF J&J MARKETING

On October 1, 2004 the Company acquired an eighty percent (80%) ownership interest in J&J Marketing, LLC. J&J Marketing LLC is a New York limited liability company that is engaged in the business of producing and distributing non-medicated pharmaceutical personal care products under the

Edgar Filing: GLOBAL CONCEPTS, LTD. - Form 10QSB

trademark "Savage Beauty ." The Company acquired the interest in J&J Marketing in exchange for 100,000 shares of the Company's common stock.

-6-

ITEM 2. MANAGEMENT DISCUSSION AND ANALYSIS

Results of Operations

Effective as of June 30, 2003, the Company terminated the operations of Xcalibur Xpress, the only operation which had been continuing prior to that date. The Company liquidated the assets of Xcalibur Xpress and used the proceeds to reduce its debts. In its financial statements for the first nine months of 2003 the Company recorded a \$357,046 "loss from discontinued operations of subsidiary."

The only revenue recorded by the Company for the first nine months of 2004 was \$10,350 that it was paid for consulting services rendered. Between June 1, 2004 and October 1, 2004, however, the Company acquired three new businesses: Advanced Medical Diagnostics LLC, Compagnie Logistique de Transports Automobiles ("CLTA"), and J&J Marketing, LLC. Advanced Medical Diagnostics has not generated any revenue to date. CLTA and J&J Marketing were acquired on October 1, 2004 and, accordingly, their financial results are not reflected in the Company's financial statements for the period ended September 30, 2004. In its annual report for 2004, the Company will record revenue from the operations of J&J Marketing and CLTA.

Liquidity and Capital Resources

At September 30, 2004 the Company had no operating assets and \$3,028,055 in net liabilities. The subsequent acquisitions of J&J Marketing and CLTA increased the Company's operating assets, but did not ameliorate its debt situation. The Company will be unable to satisfy its liabilities unless its creditors agree to compromise their claims. In addition, the Company has committed to provide up to \$500,000 if requested by the Board of CLTA prior to December 31, 2004. Any funds provided to CLTA would have to be borrowed by the Company; but the Company does not have a firm commitment from any lender to provide the funds.

ITEM 3. CONTROLS AND PROCEDURES

Michael Margolies, our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the Company's disclosure controls and procedures as of September 30, 2004. Based on his evaluation, he concluded that the controls and procedures in place are sufficient to assure that material information concerning the Company which could affect the disclosures in the Company's quarterly and annual reports is made known to him by the other officers and employees of the Company, and that the communications occur with promptness sufficient to assure the inclusion of the information in the then-current report.

There have been no significant changes in the Company's internal controls or in other factors that could significantly affect those controls subsequent to the date on which Mr. Margolies performed his evaluation.

-7-

Edgar Filing: GLOBAL CONCEPTS, LTD. - Form 10QSB

PART II - OTHER INFORMATION

Item 6. Exhibits and reports on Form 8-K.

Reports on Form 8-K. Report dated June 1, 2004 concerning acquisition of Advanced Medical Diagnostics, LLC

Exhibits:

- 3a-1 Articles of Amendment of Articles of Incorporation filed on November 8, 2004
- 31 Rule 13a-14(a) Certification
- 32 Rule 13a-14(b) Certification

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.

GLOBAL CONCEPTS, LTD.

Date: November 12, 2004

By: /s/ Michael Margolies

Michael Margolies, Chief
Executive Officer, Chief
Financial Officer, Chief
Accounting Officer