Green Automotive Company

Financial Statements as of June 30, 2022 and December 31, 2021and the Six Months Ended June 30, 2022 and 2021

GREEN AUTOMOTIVE COMPANY
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Balance Sheets
June 30, 2022 and December 31, 2021
(Unaudited)

	June 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash	$ 320	$ 389
Accounts receivable	10,000	-
Total Current Assets	10,320	389
Total Assets	$ 10,320	$ 389
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
Current Liabilities		
Accounts payable and accrued expenses	$ 136,882	$ 170,199
Accounts payable and accrued expenses-Related party	226,845	171,318
Advances payable	38,500	35,000
Notes payable-Related party	124,997	99,243
Derivative liability	2,668,181	2,668,181
Total Current Liabilities	3,195,405	3,143,941
Long Term Liabilities		
Notes payable-Related party	250,003	275,757
Total Liabilities	3,445,408	3,419,698
Commitments and contingencies	-	-
Stockholders (Deficit)		
Preferred stock, Class A convertible, \$.001 par value, 2,000,000 shares authorized, 2,000,000 shares issued and outstanding at June 30, 2022 and December 31, 2021	2,000	2,000
Preferred stock, Class Y convertible, \$.001 par value, 40,000,000 shares authorized, 35,561,651 shares issued and outstanding at June 30, 2022 and December 31, 2021	35,562	35,562
Common stock, \$.001 par value, 1,950,000,000 shares authorized; 1,045,595,531 issued and outstanding at June 30, 2022 and December 31, 2021	1,045,596	1,045,596
Additional paid-in capital	48,541,303	48,541,303
Accumulated (Deficit)	(53,059,549)	(53,043,770)
Total Stockholders' (Deficit)	(3,435,088)	(3,419,309)
Total Liabilities and Stockholders' (Deficit)	$ 10,320	$ 389

The accompanying footnotes are an integral part of these unaudited financial statement.

GREEN AUTOMOTIVE COMPANY

Statements of Operations

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues	$ 15,000	$ -	$ 30,000	$ -
Total revenues	15,000	-	30,000	-
Operating Expenses				
General and administrative	19,236	12,100	39,947	25,420
Total operating expenses	19,236	12,100	39,947	25,420
(Loss) before other expenses	(4,236)	(12,100)	(9,947)	(25,420)
Other income/(expense)				
Interest expense-Related party	(2,927)	(2,805)	(5,832)	(5,579)
Debt relief	-	-	-	56,614
Total other	(2,927)	(2,805)	(5,832)	51,035
Income before income taxes	(7,163)	(14,905)	(15,779)	25,615
Income taxes	-	-	-	-
Net income/(loss)	$ (7,163)	$ (14,905)	$ (15,779)	$ 25,615
Income per share-Basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ 0.00
Weighted average shares outstanding				
Basic and diluted	1,045,595,531	1,045,595,531	1,045,595,531	1,045,595,531

The accompanying footnotes are an integral part of these unaudited financial statement.

GREEN AUTOMOTIVE COMPANY
Statements of Stockholders' (Deficit)
For the Three and Six Months Ended June 30, 2022 and 2021
(Unaudited)

	Preferred Stock				Common Stock				
	Series Y Shares	Amount	Series A Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated (Deficit)	Stockholders' (Deficit)
Balance-January 1, 2021	35,561,651	$35,562	2,000,000	$ 2,000	1,045,595,531	$ 1,045,596	$ 48,541,303	$(53,026,059)	$ (3,401,598)
Net income for the three months ended March 31, 2021	-	-	-	-	-	-	-	40,520	40,520
Balance-March 31, 2021	35,561,651	35,562	2,000,000	2,000	1,045,595,531	1,045,596	48,541,303	(52,985,539)	(3,361,078)
Net income for the three months ended June 30, 2021	-	-	-	-	-	-	-	(14,905)	(14,905)
Balance-June 30, 2021	35,561,651	$35,562	2,000,000	$ 2,000	1,045,595,531	$ 1,045,596	$ 48,541,303	$(53,000,444)	$ (3,375,983)

	Preferred Stock				Common Stock				
	Series Y Shares	Amount	Series A Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated (Deficit)	Stockholders' (Deficit)
Balance-January 1, 2022	35,561,651	$35,562	2,000,000	$ 2,000	1,045,595,531	$ 1,045,596	$ 48,541,303	$(53,043,770)	$ (3,419,309)
Net (loss) for the three months ended March 31, 2022	-	-	-	-	-	-	-	(8,616)	(8,616)
Balance-March 31, 2022	35,561,651	35,562	2,000,000	2,000	1,045,595,531	1,045,596	48,541,303	(53,052,386)	(3,427,925)
Net (loss) for the three months ended June 30, 2022	-	-	-	-	-	-	-	(7,163)	(7,163)
Balance-June 30, 2022	35,561,651	$35,562	2,000,000	$ 2,000	1,045,595,531	$ 1,045,596	$ 48,541,303	$(53,059,549)	$ (3,435,088)

The accompanying footnotes are an integral part of these unaudited financial statement.

GREEN AUTOMOTIVE COMPANY

Statements of Cash Flows

(Unaudited)

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss)	$ (15,779)	$ 25,615
Adjustments to reconcile net loss to net cash used in operating activities:		
Change in fair value of derivative liability	-	-
Changes in assets and liabilities:		
(Increase) in accounts receivable	(10,000)	-
Increase/(decrease) in accounts payable and accrued expenses	(33,317)	(4,172)
Increase in accounts payable and accrued expenses-Related party	55,527	24,951
Increase in advances payable	3,500	-
Net cash (used)/provided by operating activities	(69)	46,394
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Decrease) in notes payable	-	(45,394)
Net cash (used) by financing activities	-	(45,394)
Net (decrease)/increase in cash	(69)	1,000
CASH AT BEGINNING PERIOD	389	-
CASH AT END OF PERIOD	$ 320	$ 1,000
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -

The accompanying footnotes are an integral part of these unaudited financial statement.

1. NATURE OF OPERATIONS

Green Automotive Company (the "Company")was originally organized under the laws of the State of Delaware on November 15, 1996, as Royal Acceptance Corporation; on December 20,2007, the Company amended its Certificate of Incorporation and changed its name to Ultimate Sports Entertainment; on February 7, 2008, the Company amended its Certificate of Incorporation and changed its name to GANAS, Corp; effective November 11, 2009 the Company amended its Certificate of Incorporation and changed its name to Green Automotive Company Corporation; and effective September 30, 2011, the Company effected a Change of Domicile, re-incorporating in Nevada and simplifying its name to Green Automotive Company, among other things (the "Re-Incorporation").The Company is active. Detailed information as to all corporate transactions are incorporated herein by reference to the Company's Current Reports on Form 8-K and Quarterly and Annual Reports filed on Form 10-Q and 10-K for the years 2012-2017 pursuant to the Securities Exchange Act of 1934 (the "Exchange Act"), including its Pink Sheet Disclosure Statements filed for the years 2009-2012 and its Pink Sheet Disclosure Statements, as amended, filed from 2012 through the date hereof.

Beginning in 2009 the Company became involved in the importation and distribution of an all-electric ("EV") sports utility vehicle ("SUV") pursuant to a definitive Exclusive Agreement of Distribution and Service with Zotye Holding Group, a Chinese automotive manufacture (the "Zotye Agreement").

On January 29, 2010, following the execution of the Zotye Agreement the Company changed its primary SIC Code to 5012 for automobiles The purpose of the Zotye Agreement, as amended, was to explore the economics and logistics of bringing Zotye manufactured EV single-family vehicles, primarily the Zoyte's SUV and its Minivan (each a "Single Family EV") into the United States. Beginning in January 2011, the Company began acquiring Zoyte EV SUV's to begin the process of homologation – crash and rollover tests required by Federal Motor Vehicle Safety Standards ("FMVSS") and the U.S. Department of Transportation, so as to qualify for nation-wide distribution and sale to the U.S. consumers. While in the homologation stage, in 2012, the Company introduced one of the first EV SUV's at the Orange County (California) TCVN Tech Conference.

In an effort to expand the Company's distribution network while the Zoyte EV SUV was undergoing the required homologation tests, the Company acquired Newport Coachworks Inc. ("NCI"). NCI became a wholly owned subsidiary of the C0mpant and served as the Company's assembly facility to initially build internal combustion engine driven commercial shuttle busses and other mass transit vehicles ("Commercial ICE Vehicles"), with the intent to expand NCI's capabilities into building a full line of EV delivery trucks, EV shuttle busses, and other EV mass transit vehicles (collectively, "Commercial EV's").

During 2012 through 2016 the Company made several acquisitions consistent to the Company's goal of acquiring the latest and most efficient electric motor and drive train technology: these acquisitions are incorporated by reference to the Company's Exchange Act reports filed with the SEC through July 19, 2017.

While NCI's facilities and ability to build custom-made Commercial ICE Vehicles began to scale in 2012 – initially generating gross annual revenues of $ $320,648 for 2012, $ 3,025,850 for 2013, and $4,846,154 in gross annual revenue in 2014 (unaudited) - the Zoyte SUV EV failed one of the crucial FMVSS tests, resulting in the termination of the Zoyte Agreement, at which time the Company turned its attention to building Commercial EV's, focusing on "last mile" delivery vans and shuttle buses. By 2013 the Company had successfully developed a prototype Commercial EV– a shuttle bus which the Company named the "e-Patriot", capable of seating 15-23 passengers, depending on configuration, with an initial one-hundred-mile range between charges.

Effective September 30, 2015 the Company outsourced to Missouri-based Executive Bus Builders Inc. ("Executive Bus") the NCI historical conventionally fueled shuttle bus manufacturing operations pursuant to an Outsourcing Agreement (the "Executive Bus Agreement"). Pursuant to the Executive Bus Agreement, Executive Bus agreed to (a) manufacture buses for the Company's clients based in California, and to build customized buses, which were to be converted into Commercial EV's, for the Company's clients, (b) purchase certain outdated tool and die equipment, and molds located in the NCI assembly facility from the Company for $100,000, used primarily for the building of Commercial ICE Vehicle's, (c) to pay the Company approximately $25,000 for the first five Commercial ICE Vehicles manufactured by Executive Bus for the Company's customers, and (4) to assume all of the obligations and responsibilities as a sub-lessor under NCI's original lease of the NCI facility for the duration of the original lease.

The Company believed that, going forward, the net revenue generated by outsourcing the building of Commercial ICE Vehicle to Executive Bus would be approximately the same as the net revenue historically generated by NCI, without the administrative and operational overhead. The Executive Bus Agreement produced only $25,000 in net revenue to the Company from October 2015 through December 31, 2017, and Executive Bus failed to provide the Company with a full accounting for bus sales to the Company's customers from January 1, 2016 through February 28, 2018, the date the Executive Bus Agreement expired. During the fiscal year ended December 31, 2017 the Company wrote off the remaining tools, die equipment, molds and the outdated EV technology used to produce the e-Patriot.

In July 2017 the Company filed a Form 15-12G to "opt out" of the filing requirements of Section 12(g) of the Exchange Act to become a company that makes its public information available pursuant to the Pink Sheet Alternative Reporting Standard ("ARS").

In January 2018, the Company began negotiations with a California-based Commercial ICE Vehicle builder and entered into a new Outsourcing and Joint Venture Agreement (the "CA Joint Venture"). Pursuant to this collaborative joint venture the Company, through providing the services of the Company's President, shared the technology and all information derived from the development of the e-Patriot for the creation of a new generation of e-Patriot-type Commercial EVs - shuttle buses, "last mile" delivery vans, and other all-electric commercial mass transit vehicles. Under the CA Joint Venture has the Option to acquire these two vehicles, and all the underlying technology developed in the joint venture, for One Hundred Million (100,000,000) shares of the Company's common stock.

By the end of 2019, the CA Joint Venture partner had already produced two Commercial EV's – a new generation of the e-Patriot, and a "last mile" all-electric delivery van, both with a range in excess of 100 miles between charges.

The CA Joint Venture expired in September 2021, but the underlying Option was extended by mutual consent until 30 days following the Company becoming current with its required regulatory filings, including the financial statements covering the six months ended June 30, 2022 and the calendar years ended December 31, 2021, and 2020, together with all subsequent quarters as may be required for the Company to become an ARS "Pink Current Information" company.

2. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") as promulgated in the United States of America.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies presented below is designed to assist in understanding the Company's financial statements. Such financial statements and accompanying notes are the representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to GAAP in all material respects and have been consistently applied in preparing the accompanying financial statements.

Recent Accounting Pronouncements

Other recent pronouncements issued by FASB (including its Emerging Task Force), and the United States Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future financial statements.

Going Concern

Our financial statements have been prepared assuming we will continue as a going concern. However, as of June 30, 2022, we have sustained recurring losses totaling $53,059,549 and have a stockholders' deficit of $3,435,088. These conditions, among others, give rise to substantial doubt about our ability to continue as a going concern. Management is continuing to seek additional equity capital to fund the acquisition or to purchase an ongoing business and improving profitability of existing operations. Until such time, we anticipate our working capital needs will be funded through the issuance of debt and equity instruments. Management believes these steps may provide us with adequate funds to sustain our continued existence. There is, however, no assurance that the steps taken by management will meet all of our needs or that we will continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Use of Estimates

The preparation of the financial statements requires management of the Company to make a number of estimates and assumptions relating to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The assumptions used by management in future estimates could change significantly due to changes in circumstances, including, but not limited to, challenging economic conditions. Accordingly, future estimates may differ significantly.

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts held as bank deposits and highly liquid debt instruments purchased with an original maturity of three months or less. The Company had cash and cash equivalents as of June 30, 2022, and December 31, 2021of $26 and $389, respectively.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. Such reclassifications had no impact on previously reported net losses.

Accounts Receivable

Accounts receivable consists of trade receivables, which are recorded at the invoiced amount, net of taxes, allowances for doubtful accounts and prompt payment discounts. Trade receivables do not carry interest. The allowance for doubtful accounts represents management's estimate of the amount of probable credit losses in existing accounts receivable, as determined from a review of past due balances and other specific account data. Account balances are written off against the allowance when management determines the receivable is uncollectible.

Inventories

The Company's inventories are valued at lower of cost or market, as determined by the first-in, first out ("FIFO") method.

Concentrations

The Company currently maintains substantially all of its cash with major financial institutions. At times, cash balances may be in excess of the amounts insured by the Federal Deposit Insurance Corporation.

Long-lived Assets

Long-lived assets are stated at cost. Maintenance and repairs are expensed as incurred. Depreciation is determined using the straight-line method over the estimated useful lives of the assets, which is five years.

Where an impairment of a property's value is determined to be other than temporary, impairment for the estimated potential loss is recorded to adjust the property to its net realizable value.

When items of building or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations. The Company does not have any long-lived tangible assets, which are considered impaired as of June 30, 2022, and December 31, 2021.

The Company applies the provisions of ASC 360-10, *Property, Plant and Equipment,* where applicable to all long-lived assets. ASC 360-10 addresses accounting and reporting for impairment and disposal of long-lived assets. The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with ASC 360-10. ASC 360-10 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal.

Derivative Instruments

The fair value of derivative instruments is recorded and shown separately under current liabilities. Changes in the fair value are recorded in the statement of income under other income (expense).

The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. For stock-based derivative financial instruments, the Company uses a weighted average Black-Scholes-Merton option pricing model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Fair Value Measurements

The Company adopted ASC 820, *Fair Value Measurements and Disclosures*, which provides a framework for measuring fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard also expands disclosures about instruments measured at fair value and establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 — Quoted prices for identical assets and liabilities in active markets.

Level 2 — Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3 — Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Development Stage Company Critical Accounting Policy Disclosure

The Company qualifies as an “emerging growth company” under the 2012 JOBS Act. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. As an emerging grown company, the Company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Company has chosen to “opt out” of such extended transition period, and as a result, the Company will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies.

Income Taxes

We account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recorded, when necessary, to reduce deferred tax assets to the amount expected to be realized.

As a result of the implementation of certain provisions of ASC 740, Income Taxes (“ASC 740”), which clarifies the accounting and disclosure for uncertainty in tax positions, as defined, ASC 740 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. We adopted the provisions of ASC 740 and have analyzed filing positions in each of the federal and state jurisdictions where we are required to file income tax returns, as well as all open tax years in these jurisdictions. We have identified the U.S. federal and California as our "major" tax jurisdictions. Generally, we remain subject to Internal Revenue Service examination of our 2017 through 2021 U.S. federal income tax returns and remain subject to California Franchise Tax Board examination of our 2017 through 2021 California Franchise Tax Returns. However, we have certain tax attribute carryforwards which will remain subject to review and adjustment by the relevant tax authorities until the statute of limitations ("SOL") closes with respect to the year in which such attributes are utilized.

We believe that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to our financial position. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC 740. In addition, we did not record a cumulative effect adjustment related to the adoption of ASC 740. Our policy for recording interest and penalties associated with income-based tax audits is to record such items as a component of income taxes.

Revenue Recognition

We recognize revenues related to annual membership income and service of electric vehicles in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") No. 605, Revenue Recognition. Revenue is recognized when we have evidence of an arrangement, a determinable fee, and when collection is considered to be probable, and services are provided. In the event that final acceptance of our product by the customer is uncertain, revenue is deferred until all acceptance criteria have been met. In the event we have amounts billed or collected in accordance with contractual terms in advance of when the work is performed, we treat these as deferred revenues.

Grant Income

Grant income are not recognized until a grant claim has been submitted and approved by Government representatives.

E-tech services

Revenues from consultancy services are recognized only when all services have been rendered and collectability is reasonably assured.

E-Care services

Revenues from maintenance, repair, and overhaul services - recognized only when all services have been rendered and collectability is reasonably assured.

Advertising

Advertising costs are expensed as incurred. Advertising expenses for the three months ended June 30, 2022 and 2021 were $0 for both periods.

Net Loss per Common Share

The Company computes net income per share in accordance with ASC 260, "Earnings per Share." ASC 260 requires presentation of both basic and diluted earnings (loss) per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including 2,000,000 Series A Convertible Preferred Stock for June 30, 2022and 35,562,651 Series Y Convertible Preferred Stock for June 30, 2022 using the if-converted method; the 10,000,000 shares of the Company's Series B Convertible Preferred Stock is held by the Company's subsidiary which is in the process of being cancelled, but is eliminated in consolidation. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential common shares if their effect is anti-dilutive.

Share-Based Payment Arrangements

The Company records stock-based compensation in accordance with ASC 718, *Compensation - Stock Based Compensation* which requires the measurement and recognition of compensation expense based on grant date fair values for all share-based awards made to third parties, employees and directors, including stock options. Effective January 1, 2019, the Company adopted ASU 2018-07, Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting.

ASC 718 requires companies to estimate the fair value of share-based awards to employees and directors on the date of grant using an option-pricing model. The Company uses the Black-Scholes option-pricing model as its method of determining fair value. This model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables. These subjective variables include but are not limited to the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the statement of operations over the requisite service period.

Upon the adoption of ASU 2018-07, the Company measures the fair value of equity instruments for non-employee payment awards on the grant date.

Recent Accounting Pronouncements

We do not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations or financial position.

4. SUMS DUE TO GLOBAL TRADE FINANCE

On January 1, 2012, the Company negotiated a credit facility with Global Trade Finance ("GTF") to provide credit up to $250,000 of working capital. The Company had drawn down $79,000 of the facility through the second quarter of 2012. The effective rate of interest is 8% on the facility, and the facility was to be secured by 5,000,000 shares of the Company's common stock. On or about September 30, 2012, the $79,000 was converted into 1,500,000 shares of the Company's common stock, but additional advances following the settlement of the $79,000 were made between 2013 and 2014 totaling $25,000,which was still outstanding as of March 31, 2022, and December 31, 2021.In 2021 the President of the Company acquired controlling interest in GTF and this obligation has been recognized as an account payable to related party.

5. SETTLEMENT OF NOTES, LITIGATION AND OTHER OBLIGATIONS.

In June 2014 the Company issued to Typenex Co-Investment, LLC ("Typenex") a secured convertible promissory note in the principal amount of $665,000 (the "Typenex Note"). In connection with the Typenex Note, the Company issued a five-year warrant to Typenex to purchase common stock that includes anti-dilution provisions (the "Typenex Warrant"). The Typenex Warrant's original value was $588,004. On November 4, 2015, Typenex was awarded a default arbitration judgement against the Company in the amount of $679,894, with 22% interest accruing commencing as of October 19, 2015 (the "Typenex Judgment"). In 2016 the Company negotiated a settlement with Typenex with involved the issuance of 39,425,000 shares of the Company's common stock – valued at approximately $7,885 on the date of settlement - for a full release of the Typenex Judgment and the termination of the Typenex Warrant.

In February 2014 the Company was sued by a third-party ("Plaintiff") claiming fees for certain business-related introductions. On March 30, 2015, the Company and the Plaintiff entered into a Settlement Agreement (the "2015 Litigation Settlement"). In February 2019 Global Business Strategies Inc., principal shareholder and President of which is also the President of the Company, bought the 2015 Litigation Settlement together with any and all of Plaintiffs claims against the Company. The 2015 Litigation Settlement was later quitclaimed/assigned to the Company – see Footnote 6 - NOTES PAYABLE- RELATED PARTY and Footnote 11- RELATED PARTY TRANSACTIONS

On October 17, 2017, the Company entered into a Settlement and Release Agreement with GMAI to get a release of any and all claims by GMAI, and on October 17, 2017the Company issued to GMAI 1,180,299 shares of its Series A Convertible Preferred Stock (the "GMAI A Shares").

In October 2019 the Company entered into a Debt Settlement Agreement with a former director and legal counsel related to the $18,000 Convertible Promissory Note issued on December 31, 2014, plus accrued interest, which was due on or before December 31, 2017, together with accrued $42,000 in Director Fees from October 2015 through December 31, 2019, by way of the issuance of 60,000,000 shares of its common stock.

On or about October 12, 2013 the Company issued to Blue Citi LLC ("Blue Citi") a 8% Convertible Redeemable Note in the principal amount of Twenty-Six Thousand Five Hundred dollars ($26,500) Due September 9, 2015 (the

"Blue Citi $26,500 Note"); on March 21, 2014 the Company entered into a Securities Purchase Agreement with Blue Citi (the "Blue Citi Agreement") pursuant to which Blue Citi agreed to loan the Company Two Hundred Seventy-Eight Thousand Five Hundred dollars ($278,500); the Company issued the related Convertible Promissory Note on September 9, 2013 (the "Blue Citi $278,500 Note") and issued to Blue Citi a Warrant to Purchase 15,218,579 shares common Stock of the Company (the "Blue Citi Warrant"); and, on or about December 9, 2014 the Company, together with its wholly owned subsidiary, Newport Coachworks Inc., a California corporation ("NCI") executed a Promissory Note in favor of Blue Citi in the principal amount of Fifty-Three Thousand Seven Hundred Fifty Dollars ($53,750) with a due date of June 5, 2014 (the "Blue Citi $53,750 Note").

The Blue Citi $26,500 Note, the Blue Citi $278,500 Note and the Blue Citi $53,750 Note were all past due in mid-2020 and Blue Citi had threatened to initiate litigation to collect on these notes and enforce the Blue Citi Warrant, all valued at approximately $600,000. Collectively the Purchase Agreement, the Blue Citi Warrant, the Blue Citi $26,500 Note, the Blue Citi $278,500 Note, and the Blue Citi $53,750 Note are referred to herein as the "Blue Citi Claims".

In December 2020 GBSI agreed to transfer from its holdings of shares of the Company's Series A Convertible Preferred Stock("Series A Shares"), specifically Seventy-Five Thousand (75,000) Series A Shares, to Blue Citi in exchange for the assignment and transfer of the Blue Citi Claims by Blue Citi to GBSI.

On December 31, 2020 GBSI assigned the 2015 Litigation Settlement and related claims together with the Blue Citi Claims to the Company in exchange for 3% 7-year $375,000 Installment Promissory Note (the "GBSI Note"), thereby releasing the Company of such obligations and obviating significant cash payments by the Company to litigate/settle, and significant dilution if the Blue Citi Claims were to be converted into shares of the Company's common stock.

In November 2021 the Company entered int a Settlement and Release agreement with LG Capital Funding LLC related to a series of convertible promissory notes issued by the Company between 2012 and 2014.

The 150,000 shares of the Company's Series A Convertible Preferred Stock held by Mr. Darren West were cancelled effective April 22, 2022. As a result, Mr. West no longer holds any of the Company's equity or debt securities.

6. NOTE PAYABLE-RELATED PARTY

The Company's related party debt consists of the following:

	June 30 2022	December 31, 2021
Unsecured note payable, 3% interest, interest and principal due in monthly payments of $4,955, due by December 31, 2028.	$ 375,000	$ 375,000
Total due	375,000	375,000
Current Portion	124,997	99,243
Long-term portion	$ 250,003	$ 275,757

As mentioned in Footnote 5, the 2015 Litigation Settlement together with the Blue Citi Claims were acquired by GBSI and assigned/quitclaimed back to the Company in December 2020 in exchange the GBSI Note.

7. INCOME TAXES

The Company adopted the provisions of ASC 740-10. ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements. ASC 740-10 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements. The application of income tax law is inherently complex. Laws and regulation in this area are voluminous and are often ambiguous. As such, we are required to make many subjective assumptions and judgments regarding the income tax exposures. Interpretations and guidance surrounding income tax laws and regulations change over time. As such, changes in the subjective assumptions and judgments can materially affect amounts recognized in the balance sheets and statements of income.

The Company has no unrecognized tax benefit, which would affect the effective tax rate if recognized. There has been no significant change in the unrecognized tax benefit during the six months ended June30, 2022.

We classify interest and penalties arising from the underpayment of income taxes in the statement of income under general and administrative expenses. As of June 30, 2022, the Company did not have any accrued interest or penalties related to uncertain tax positions.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The components of deferred income tax assets (liabilities) on June 30, 2022 were as follows:

	Balance	Rate	Tax
Federal loss carryforward	$53,059,549	21%	$ 11,142,505
Valuation allowance			(11,142,505)
Deferred tax asset			$ -

Due to the passage of the "Tax Cuts and Jobs Act" on December 20, 2017, the rate of the U.S. Federal Income Tax dropped from 34% to 21%, which is a flat percentage tax rate used for the calculation of the deferred income tax assets.

The new law also changes the rules on Net Operating Loss ("NOL") carry forward. The 20-year limitation was eliminated, giving the taxpayer the ability to carry forward losses indefinitely. However, utilization of NOL carry-forwards arising after January 1, 2018, will now be limited to 80 percent of taxable income.

8. DERIVATIVE LIABILITY.

Pursuant to ASC 815, "Derivatives and Hedging," the Company initially recognized the fair value of the embedded conversion feature of the notes and was charged to operations in prior periods. On June 30, 2022, the Company recorded a mark-to-market valuation, based on the fair value of the derivative liability on that date of $2,668,181, representing no change since December 31, 2021. The fair value of the derivative liability was determined using the Black Scholes option pricing model with a quoted market price of $0.0025, an average conversion price of $0.00125 expected volatility of 164%, no expected dividends, an expected term of one year and a risk-free interest rate of 0.25%.

The derivative liability related to notes and obligations with convertible features was completely removed in 2021 upon the settlement of all obligations entered by the Company with conversion features.

The following table sets forth by level with the fair value hierarchy the Company's financial assets and liabilities measured at fair value on June 30, 2022.

	Level 1	Level 2	Level 3	Total
Assets				
None	$ -	$ -	$ -	$ -
Liabilities				
Derivative financial instruments	$ -	$ -	$ 2,668,181	$ 2,668,181

The following table summarizes the derivative liabilities included in the balance sheet on June 30, 2022:

Balance on December 31, 2021	$	2,668,181
Derivative liability related to new issuance and conversion, net		-
Change in value of historic derivatives		-
Balance on** June 30**, 2022	$	2,668,181

9. STOCKHOLDERS' DEFICIT

Convertible Preferred Stock

The Company is authorized to issue 50,000,000 shares of Preferred Stock, of which 47,562,651 shares have been issued – 2,000,000 shares of a Series A Convertible Preferred Stock, 10,000,000 shares of Series B Convertible Preferred Stock (which are being cancelled) and 40,000,000 shares of a Series Y Convertible Preferred Stock, described below:

	Total Series Authorized	Stated Value	Voting	Annual Dividends per Share	Convertible
Series A	2,000,000	$.001	Yes	As per common stock	Yes (1)
Series B	10,000,000	$.001	Yes	As per common stock	Yes (2)
Series Y	40,000,000	$.001	Yes	As per common stock	Yes (3)

1. The shares of Series A Convertible Preferred Stock (the "Series A Shares") are convertible into Company's common stock in accordance with the following formula: Number of shares of common stock to be issued upon conversion of the Series A Shares = the number of shares of common stock outstanding on date of conversion x 0.000001 x the number of Series A Shares being converted. We do not currently have sufficient issuable common stock remaining from our authorized common stock for all of the holders of Series A Shares to convert into common stock. In addition, as of the date of this report, all convertible debt securities have been satisfied, either by conversion or payment the date hereof, leaving on the Series A Shares and the Series Y Shares (as defined below) with conversion rights. Since the Company does not have enough common stock authorized fin the event of a conversion of all of the holder of the Series A Shares, the Company intends to (a) renegotiate the conversion rights of the Series A Shares, or (b) effect an increase in its total authorized capital stock prior to the end of FYE 2022 to accommodate a possible conversion of all issued and outstanding Series A Shares and Series Y Shares.

2. The Series B Preferred Stock (the "Series B Shares") are held by the Company's wholly owned subsidiary and are convertible into shares of the Company's common stock on a one-for-one basis. However, (a) the Series B Shares are eliminated in consolidation in the Company's Financial Statements, and (b) the subsidiary is currently in "Revoked" status in Nevada, its state of incorporation, but can be revived at any time if the Company's management wishes to utilize it for any reason.

3. The Series Y Preferred Stock (the "Series Y Shares") are convertible into shares of the Company's common stock on a one-for-one basis. However, we have placed a "Stop Transfer" on the Series Y Shares held by Mr. Ian Hobday and Mr. Carter Read pending the outcome of possible litigation to be filed against them and others, or cancellation due to a breach by them of their respective Consulting/Employment Agreements – see Footnote 10. CONTINGENCIES AND COMMITMENTS.

10. CONTINGENCIES AND COMMITMENTS

During fiscal 2015 and 2016 we investigated as whether certain activities of three former officers - Carter Read, Ian Hobday and Darren West - constituted a breach of fiduciary duty, corporate theft, misuse of corporate assets, breach of their non-compete and anti-fraudulent statement provisions included in their independent agreements; we also considered their failure to properly disclose material information while they were serving as officers and/directors of the Company. In 2015 we discovered that Mr. Hobday and Mr. West both worked with at least two companies outside the Company's organization while serving as officers of the Company: OEC International Limited and Footloose 4X4 Limited, both U.K. companies acquired by Liberty Electric Company, but not consolidated into our financial statements during their service to us as CEO and CFO, respectively, and that these activities qualify as a breach of their non-compete clauses, which could mean that they could both forfeit not only all of the Series A Shares that had previously been issued to them, but all classes of the Company's stock issued to them during their respective tenure as Company officer and directors.

In the interim, we have placed a "stop transfer" on all the Series A Shares, the Series Y Shares and the shares of Common Stock held by Mr. Hobday and Mr. Read; the Series A Shares held in the name of Mr. West were cancelled effective April 22, 2022.

The Board has determined that it is in the best interest of the Company to provide a clearer statement of financial condition as of June 30, 2022 and December 31, 2021as to certain debt of the Company owed to third parties, together with potential claims against the Company, including but not limited to Accounts Payable and Promissory Notes satisfied by way of conversion into shares of the Company's common stock, barred pursuant to applicable SOL, or otherwise satisfied prior to January 1, 2020or during the quarter ended June 30, 2022 and the two fiscal years ended December 31, 2021 and 2020("Declassified Obligations"), should not be included in the Company's financial statements and, as a result, Declassified Obligations are not included in the Company's financial statements for the respective periods. The Board considered the accounting guidance under ASC 405-20-40-1 and a review of applicable PCAOB publications.

On November 5, 2014, in Release No. 73521, the Securities and Exchange Commission ("SEC") filed an Administrative Proceeding, File No. 3-16252 (the "SEC Action"), in which the SEC sought a cease and-desist proceeding against the Company pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act").

In late 2014 the Company submitted an Offer of Settlement (the "Offer") which the SEC accepted. The Offer consisted of an agreement to (a) cease and desist from committing or causing any future violations of Section 13(a) of the Exchange Act and Rules 13a-1, 13a-11, and 12b-20 thereunder, (b) pay civil penalties of $50,000 to the SEC (the "SEC Fine"), and (c) consent to an entry of an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Exchange Act, Making Findings, and Imposing a Cease-and-Desist Order (the "Order"). The SEC Fine was scheduled to be paid $10,000 upon the effectiveness of the Offer, and the balance in installments of $5,000 each over 8 consecutive months, beginning November 15, 2014. The initial payment of $10,000 was paid by the Company in 2014, but the subsequent payments of $5,000 per month were not made. However, the Company has continued to record the remaining $40,000 of the SEC Fee on its financial statements as an Account Payable.

Material Company debt or judgments (each exceeding $10,000) not bared by the respective applicable SOL or settled prior to the respective reporting periods, continue to be included in these financial statements as "Current Liabilities" unless otherwise specifically identified in our Balance Sheet and Statement of Operations. Company debt in dispute or settlement stage, in the aggregate of less than $10,000, may not be included in these financial statements.

11. RELATED PARTY TRANSACTIONS

On or about November 14, 2014, Carter Read, the Company's director, interim Secretary and interim President, and President of its wholly owned subsidiary, NCI, made a $40,000 personal loan to NCI to assist with operating capital. No terms were established for the loan. The loan was funded by five deposits in 2014: $10,000 on November 14, $10,000 on November 19, $10,000 on December 4, $5,000 on December 9, and $5,000 on December 29. The loan remained outstanding as of December 31, 2014. Subsequently, on July 13, 2015, Carter Read resigned his positions as the Company's interim President, Secretary, and as a member of the Company's Board of Directors. On July 20, 2015, Mr. Read resigned from his position with NCI. As a result of the findings of the Company's management, and the exchange and redemptions transaction with GBSI, the Company is now the holder in due course of Mr. Reads personal guarantee originally delivered in connection with the Blue Citi Note 3 and the Blue Citi Note 2 – valued in the aggregate in excess of $50,000 - which the Company intends to offset against any alleged claims of Mr. Read for repayment of the personal loan and other claims against the Company asserted by Mr. Read.

In October 2019 the Company settled the $18,000 Convertible Promissory Note plus interest issued to Alan M. Rothman in 2014 for accrued Director fees for his service from January 2011 through March 2014 together with accrued Directors fees of approximately $42,000 for his service following his return as a Director in 2016 through 2019 by issuing to Mr. Rothman 60,000,000 shares of the Company's common stock.

As discussed in Footnote 5, the 2015 Litigation Settlement and related claims together with the Blue Citi Claims, which collectively amounted in excess of $600,000 in value exclusive of the possible dilution upon the exercise of the underlying convertible instruments, obligations were acquired by GBSI and assigned back to the Company in December 2020 in exchange the GBSI Note issued by the Company effective December 31,2020.

12. SUBSEQUENT EVENTS

In accordance with ASC 855-10, the Company has analyzed its operations subsequent to June 30, 2022 through the date these financial statements were issued and has determined that ithad no material subsequent event to disclose in these financial statements.