

PRESSURE BIOSCIENCES INC
Form 10QSB
May 22, 2006

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

Form 10-QSB

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2006 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 0-21615

PRESSURE BIOSCIENCES, INC.

(Exact Name of Small Business Issuer as Specified in its Charter)

Massachusetts
(State or Other Jurisdiction of
Incorporation or Organization)

04-2652826
(I.R.S. Employer
Identification No.)

321 Manley St.
West Bridgewater, Massachusetts
(Address of Principal Executive Offices)

02379-1040
(Zip Code)

(508) 580-1818

(Issuer's telephone number, including area code)

Check whether the Issuer: (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 by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).

Yes No

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The number of shares outstanding of the Issuer's common stock as of May 12, 2006 was 2,426,189.
Transitional Small Business Disclosure Format (check one):

Yes No

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Part I. FINANCIAL INFORMATION**Item 1. Financial Statements****PRESSURE BIOSCIENCES, INC., AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

| <u>ASSETS</u> | March 31, 2006 (unaudited) | December 31, 2005 (restated) |
|--|----------------------------------|------------------------------------|
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 7,732,127 | \$ 6,416,772 |
| Restricted cash | 138,120 | 255,612 |
| Accounts receivable, less allowance of \$115,908 | 46,177 | 58,798 |
| Inventories, net | 78,458 | 85,207 |
| Investments in marketable securities | 984 | 1,533 |
| Escrow deposit related to sale of assets to SeraCare | - | 1,117,305 |
| Prepaid income taxes | 70,000 | - |
| Income tax receivable | 286,477 | 531,122 |
| Prepaid expenses, deposits, and other current assets | 81,653 | 75,286 |
| Total current assets | 8,433,996 | 8,541,635 |
| Property and equipment, net | 262,180 | 282,780 |
| OTHER ASSETS: | | |
| Intangible assets, net | 413,396 | 425,554 |
| Assets transferred under contractual arrangements | 1,420,996 | 1,420,996 |
| Investments in marketable securities | 3,885,341 | 3,962,810 |
| Total other assets | 5,719,733 | 5,809,360 |
| TOTAL ASSETS | \$ 14,415,909 | \$ 14,633,775 |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 120,539 | \$ 56,395 |
| Accrued employee compensation | 251,565 | 94,354 |
| Other accrued expenses | 162,526 | 99,718 |
| Income taxes payable | 84,221 | 63,730 |
| Current deferred tax liability | - | 219,949 |
| Accrued SeraCare liabilities | 147,220 | 264,713 |
| Liabilities from discontinued operations | 2,040 | 2,040 |
| Total current liabilities | 768,111 | 800,899 |
| LONG TERM LIABILITIES | | |
| Liabilities from discontinued operations | 5,634 | 6,120 |
| Deferred tax liability | 1,404,234 | 1,419,662 |
| Liabilities transferred under contractual arrangements | 1,042,493 | 1,042,493 |

| | | |
|--|----------------------|----------------------|
| Total long term liabilities | 2,452,361 | 2,468,275 |
| TOTAL LIABILITIES | 3,220,472 | 3,269,174 |
| COMMITMENTS AND CONTINGENCIES | | |
| STOCKHOLDERS' EQUITY: | | |
| Common stock, \$.01 par value; 20,000,000 shares authorized, | | |
| 2,424,189 issued and outstanding | 24,242 | 24,242 |
| Additional paid-in capital | 6,230,476 | 6,027,020 |
| Loan receivable from Director / CEO | (1,000,000) | (1,000,000) |
| Accumulated other comprehensive income | 2,475,377 | 2,537,963 |
| Retained earnings | 3,465,342 | 3,775,376 |
| Total stockholders' equity | 11,195,437 | 11,364,601 |
| TOTAL LIABILITIES & STOCKHOLDERS' EQUITY | \$ 14,415,909 | \$ 14,633,775 |

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

PRESSURE BIOSCIENCES, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

| | For the Three Months Ended | |
|--|-----------------------------------|--------------|
| | March 31, | |
| | 2006 | 2005 |
| REVENUE: | | |
| PCT Products, services, other | \$ 53,414 | \$ 2,630 |
| Total revenue | 53,414 | 2,630 |
| COSTS AND EXPENSES: | | |
| Cost of PCT products & services | 51,546 | 6,521 |
| Research and development | 258,819 | 103,028 |
| Selling and marketing | 67,379 | 15,260 |
| General and administrative | 689,626 | 308,888 |
| Total operating costs and expenses | 1,067,370 | 433,697 |
| Operating loss from continuing operations | (1,013,956) | (431,067) |
| OTHER INCOME (EXPENSE): | | |
| Realized gain on securities held for sale | 517,938 | - |
| Other operating (charges), net | - | (235,352) |
| Interest income | 108,506 | 78,932 |
| Total other income (expense) | 626,444 | (156,420) |
| Loss from continuing operations before income taxes | (387,512) | (587,487) |
| Income tax benefit from continuing operations | 77,478 | 199,746 |
| Loss from continuing operations | (310,034) | (387,741) |
| Discontinued operations: | | |
| Income from discontinued operations (net of income tax benefit of \$2,411 in 2005) | - | 4,679 |
| Income from discontinued operations | - | 4,679 |
| Net Loss | \$ (310,034) | \$ (383,062) |
| Loss per share from continuing operations - basic and diluted | \$ (0.13) | \$ (0.08) |
| Income per share from discontinued operations - basic and diluted | - | - |
| Net loss per share, basic and diluted | \$ (0.13) | \$ (0.08) |
| Weighted average number of shares used to calculate per share loss - basic and diluted | 2,424,189 | 4,649,052 |

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

PRESSURE BIOSCIENCES, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

**For the Three Months Ended
March 31,**

Other Comprehensive Income:

2006

2005