

NANOBAC PHARMACEUTICALS INC
Form 10QSB
May 16, 2005

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

**FORM 10-QSB
QUARTERLY REPORT**

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

For the Quarter Period Ended
March 31, 2005

Nanobac Pharmaceuticals, Incorporated
(Exact name of registrant as specified in its charter)

Florida
(State or Other Jurisdiction of
Incorporation)

0-24696
(Commission File Number)

59-3248917
(I.R.S. Employer Identification
Number)

2727 W. Dr. Martin Luther King Jr. Blvd, Suite 850, Tampa, Florida 33607
(Address of Principal Executive Office) (Zip Code)

(813) 264-2241
(Registrant's telephone 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 a 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 an accelerated filer (as defined in Rule 12b-2 of the Act):

Yes No

The number of shares issued and outstanding of the Registrant's Common Stock, no par value, as of May 12, 2005 was 189,006,760.

NANOBAC PHARMACEUTICALS, INCORPORATED AND SUBSIDIARIES

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NANOBAC PHARMACEUTICALS, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED
BALANCE SHEETS

(UNAUDITED)

	(Unaudited) March 31, 2005	December 31, 2004
ASSETS		
CURRENT ASSETS		
Cash	\$ 13,579	\$ 17,908
Account receivable	16,729	3,395
Inventory	74,431	70,571
Prepaid expenses	28,807	23,649
Total current assets	133,546	115,523
FIXED ASSETS , less accumulated depreciation of \$94,998	145,665	124,995
OTHER ASSETS		
Security deposits	67,758	68,054
Intangible assets, less accumulated amortization of \$1,009,431		
		5,583,612
		5,760,342
Goodwill		
		3,615,393
		3,615,393
Total other assets		
		9,266,763
		9,443,789
TOTAL ASSETS		
\$		9,545,974
\$		9,684,307
LIABILITIES AND STOCKHOLDERS' EQUITY		

CURRENT LIABILITIES

Accounts payable

\$ 629,319

\$ 645,491

Accrued compensation

422,067

50,611

Accrued expenses

317,043

335,861

Short-term note payable

77,207

62,379

Other liabilities

18,185

16,423

Stockholder loans

646,846

194,068

Total current liabilities

2,110,667

1,304,833

LONG-TERM LIABILITIES

Accrued compensation

	--
	350,000
Stock settlement liability	
	2,496,154
	1,918,630
Total liabilities	
	4,606,821
	3,573,463
COMMITMENTS AND CONTINGENCY (Note 9)	
	--
	--
STOCKHOLDERS' EQUITY	
Common stock, no par value, 250,000,000 shares authorized, 189,006,760 shares issued and outstanding at March 31, 2005 and 187,240,093 shares issued and outstanding at December 31, 2004	
	16,307,050
	16,296,550
Preferred stock, no par value, 1,000,000 shares authorized, no shares issued and outstanding	
	--
	--
Additional paid-in capital	
	3,514,328
	3,539,328
Accumulated deficit	

)	(13,837,581
)	(13,049,568
Accumulated other comprehensive loss	
)	(1,044,644
)	(675,466
Total stockholders' equity	
	4,939,153
	6,110,844
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	
\$	9,545,974
\$	9,684,307

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

NANOBAC PHARMACEUTICALS, INCORPORATED AND SUBSIDIARIES

CONDENSED CONSOLIDATED
STATEMENTS OF OPERATIONS

(UNAUDITED)

	Three Months ended March 31, 2005	Three Months ended March 31, 2004
REVENUE	\$ 151,865	\$ 32,385
COST OF REVENUE	43,838	7,189
GROSS PROFIT	108,027	25,196
OPERATING EXPENSES		
Sales, general and administrative	275,786	3,384,425
Research and development	411,294	628,325
Depreciation and amortization	188,252	158,113
Total Operating Expenses	875,332	4,170,863
OPERATING LOSS	(767,305)	(4,145,667)
OTHER INCOME (EXPENSES)		
Interest expense	(5,193)	(82,967)
Other, net	(15,515)	6,662
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES		
		(788,013)
)		
		(4,221,972)
)		
PROVISION FOR INCOME TAXES		
		--
		--
LOSS FROM CONTINUING OPERATIONS		
		(788,013)
)		
		(4,221,972)

)

DISCONTINUED OPERATIONS:

Loss from discontinued operations (no applicable income taxes)

--

(57,268

)

NET LOSS

\$

(788,013

)

\$

(4,279,240

)

LOSS PER COMMON SHARE (BASIC AND DILUTED):

Continuing operations

\$

0.00

\$

(0.03

)

Discontinued operations

0.00

0.00

Net loss

\$

0.00

\$

(0.03

)

WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING

Basic and Diluted

188,394,671

