

Progressive Care Inc.
Form 10-Q
November 21, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES ACT OF 1934
For the transition period from _____ to _____

Commission file number: 000-52684

Progressive Care Inc.
(Exact name of registrant as specified in its charter)

Delaware	32-0186005
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1111 Park Center Blvd., Suite 202, Miami Gardens, FL 33169
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
1-786-657-2060

Indicate by check mark 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

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company” in Rule 12b-2 of the Exchange Act. (Check one):

L a r g e a c c e l e r a t e d Accelerated filer o
filer
N o n - A c c e l e r a t e d Smaller reporting company x
filer
(Do not check if a smaller reporting
company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No x

As of November 21, 2012, the Registrant had 24,413,602 shares of common stock outstanding.

PROGRESSIVE CARE INC.

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PART I.—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Progressive Care Inc. and Subsidiaries
Consolidated Balance Sheets

	September 30, 2012	December 31, 2011 (As Restated)
	(unaudited)	(unaudited)
Assets		
Current Assets		
Cash	\$3,572	\$88,874
Accounts receivable - net	1,295,198	1,006,835
Income tax receivable	3,849	-
Inventory	319,951	248,678
Prepays	23,546	21,741
Total Current Assets	1,646,116	1,366,128
Property and equipment - net	270,654	276,795
Other Assets		
Debt issue costs - net	105,051	22,259
Deposits	47,612	44,741
Deferred tax asset	156,268	156,268
Total Other Assets	308,931	223,268
Total Assets	\$2,225,701	\$1,866,191
Liabilities and Stockholders' Equity		
Current Liabilities		
Cash overdraft	\$-	\$71,380
Accounts payable and accrued liabilities	515,642	248,785
Deferred rent payable	39,812	17,535
Income taxes payable	-	38,754
Debt - net	449,182	87,767
Debt - related party	85,000	73,329
Accrued interest payable - related party	-	24,732
Derivative liability	187,974	-
Deferred tax liability	55,268	55,268
Total Current Liabilities	1,332,878	617,550
Long Term Liabilities		
Debt	150,000	150,000
Stockholders' Equity		
Common stock, par value \$0.0001; 100,000,000 shares authorized		

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24,413,602 and 36,348,830 issued and outstanding, respectively	2,441	3,635
Additional paid in capital	93,340	(144,945)
Retained Earnings	647,042	1,239,951
Total Stockholders' Equity	742,823	1,098,641
Total Liabilities and Stockholders' Equity	\$2,225,701	\$1,866,191

See accompanying notes to consolidated financial statements

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Progressive Care Inc. and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2012	September 30, 2011 (As Restated)	September 30, 2012	September 30, 2011 (As Restated)
Sales - net	\$2,532,257	\$1,937,985	\$7,502,263	\$5,707,894
Cost of sales	1,749,911	1,085,814	5,337,783	2,917,767
Gross profit	782,346	852,171	2,164,480	2,790,127
Selling, general and administrative expenses	1,099,529	946,117	2,708,990	2,920,008
Loss from operations	(317,183)	(93,946)	(544,510)	(129,881)
Other Income (Expense)				
Change in fair value of derivative liability	40,234	-	56,179	-
Gain on accounts payable and debt forgiveness	-	-	69,298	-
Gain on debt settlement	-	-	-	12,585
Loss on sale of equipment	-	(2,671)	-	(2,671)
Interest expense	(127,181)	(1,426)	(213,575)	(13,997)
Total other income (expense) - net	(86,947)	(4,097)	(88,098)	(4,083)
Loss from operations before provision for income taxes	(404,130)	(98,043)	(632,608)	(133,964)
Income tax benefit	39,699	(25,421)	39,699	(76,195)
Net loss	\$(364,431)	\$(123,464)	\$(592,909)	\$(210,159)
Basic and diluted net loss per common share	(0.01)	(0.00)	(0.02)	(0.00)
Weighted average number of common shares outstanding				
during the period - basic and diluted	29,573,281	34,161,539	34,132,251	35,137,928

See accompanying notes to consolidated financial statements

Progressive Care Inc. and Subsidiaries
Consolidated Statement of Stockholders' Equity
Nine Months Ended September 30, 2012
(Unaudited)

	Common Stock \$0.0001 Par Value		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2010 (as restated)	33,562,000	\$3,356	\$(1,197,393)	\$1,509,455	\$ 315,418
Issuance of common stock for services rendered	302,261	30	83,213	-	83,243
Issuance of common stock for services rendered - related parties	1,385,596	139	524,861	-	525,000
Issuance of common stock in connection with the conversions of debt and accrued interest	1,098,973	110	439,479	-	439,589
Issuance of warrants as debt issue cost - related party	-	-	4,895	-	4,895
Net loss - 2011 (as restated)	-	-	-	(269,504)	(269,504)
Balance, December 31, 2011 (as restated)	36,348,830	3,635	(144,945)	1,239,951	1,098,641
Issuance of common stock in connection with debt-treated as debt discount (\$0.51)	196,078	19			