

SENESCO TECHNOLOGIES INC
Form 10-Q
November 14, 2008
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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, 2008

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 No. 001-31326

SENESCO TECHNOLOGIES, INC.

(exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

84-1368850

(IRS Employer Identification No.)

Edgar Filing: SENESCO TECHNOLOGIES INC - Form 10-Q

303 George Street, Suite 420

New Brunswick, New Jersey 08901

(Address of principal executive offices)

(732) 296-8400

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

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:

As of October 31, 2008, 18,573,184 shares of the issuer's common stock, par value \$0.01 per share, were outstanding.

Table of Contents

SENESCO TECHNOLOGIES, INC. AND SUBSIDIARY

TABLE OF CONTENTS

	Page
<u>PART I.</u>	
<u>FINANCIAL INFORMATION</u>	
Item 1.	1
<u>Financial Statements (Unaudited)</u>	
<u>CONDENSED CONSOLIDATED BALANCE SHEETS</u>	
<u>as of September 30, 2008 and June 30, 2008</u>	2
<u>CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS</u>	
<u>For the Three Months Ended September 30, 2008 and 2007,</u>	
<u>and From Inception on July 1, 1998 through September 30, 2008</u>	3
<u>CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY</u>	
<u>From Inception on July 1, 1998 through September 30, 2008</u>	4
<u>CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS</u>	
<u>For the Three Months Ended September 30, 2008 and 2007,</u>	
<u>and From Inception on July 1, 1998 through September 30, 2008</u>	8
<u>NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</u>	9
Item 2.	18
<u>Management's Discussion and Analysis of Financial Condition</u>	
<u>and Results of Operations</u>	
<u>Overview</u>	18
<u>Liquidity and Capital Resources</u>	31
<u>Changes to Critical Accounting Policies and Estimates</u>	32
<u>Results of Operations</u>	33
Item 3.	37
<u>Quantitative and Qualitative Disclosures about Market Risk</u>	
Item 4.	37
<u>Controls and Procedures</u>	
<u>PART II.</u>	
<u>OTHER INFORMATION</u>	
Item 1A.	39
<u>Risk Factors</u>	
Item 6.	52
<u>Exhibits</u>	
<u>SIGNATURES</u>	53

Table of Contents

PART I. FINANCIAL INFORMATION.

Item 1. Financial Statements.

Certain information and footnote disclosures required under United States generally accepted accounting principles have been condensed or omitted from the following consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission. However, Senesco Technologies, Inc., a Delaware corporation, and its wholly owned subsidiary, Senesco, Inc., a New Jersey corporation (collectively, Senesco or the Company), believe that the disclosures are adequate to assure that the information presented is not misleading in any material respect.

The results of operations for the interim periods presented herein are not necessarily indicative of the results to be expected for the entire fiscal year.

Table of ContentsSENESCO TECHNOLOGIES, INC. AND SUBSIDIARY(A DEVELOPMENT STAGE COMPANY)CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2008 (unaudited)	June 30, 2008
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,457,202	\$ 5,676,985
Short-term investments	2,450,000	500,000
Prepaid expenses and other current assets	784,241	180,556
Total Current Assets	5,691,443	6,357,541
Property and equipment, net	4,678	5,459
Intangibles, net	3,346,366	3,213,543
Deferred financing costs	953,308	1,059,230
Security deposit	7,187	7,187
TOTAL ASSETS	\$ 10,002,982	\$ 10,642,960
<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 499,925	\$ 370,167
Accrued expenses	386,884	314,267
Total Current Liabilities	886,809	684,434
Convertible notes, net of discount	190	57
Grant payable	99,728	99,728
Other liability	21,301	23,062
TOTAL LIABILITIES	1,008,028	807,281
STOCKHOLDERS EQUITY:		
Preferred stock, \$0.01 par value; authorized 5,000,000 shares, no shares issued		
Common stock, \$0.01 par value; authorized 100,000,000 shares, issued and outstanding 18,573,184 and 18,375,117, respectively	185,732	183,751
Capital in excess of par	40,213,658	39,874,958
Deficit accumulated during the development stage	(31,404,436)	(30,223,030)
TOTAL STOCKHOLDERS EQUITY	8,994,954	