

IR BIOSCIENCES HOLDINGS INC
Form 10-Q
May 24, 2010

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

FORM 10-Q

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

For the quarterly period ended March 31, 2010

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: 033-05384

IR BIOSCIENCES HOLDINGS, INC.
(Exact name of Registrant as specified in its charter)

DELAWARE
(State or Other Jurisdiction of Incorporation or
Organization)

13-3301899
(I.R.S. Employer Identification No.)

8777 E. Via De Ventura, Suite 280, Scottsdale,
AZ
(Address of Principal Executive Offices)

85258
(Zip Code)

Registrant's telephone number, including area code: (480) 922-3926

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether 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 twelve 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

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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 (§232.405 of this chapter) 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 company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer <input type="radio"/>	Accelerated filer <input type="radio"/>
Non-accelerated filer <input type="radio"/> (Do not check if a smaller reporting company)	Smaller reporting company <input checked="" type="radio"/>

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

The number of shares outstanding of Registrant's common stock as of May 24, 2010 was 15,931,706.

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IR BIOSCIENCES HOLDINGS, INC. AND SUBSIDIARY

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ITEM 1. FINANCIAL INFORMATION

IR BioSciences Holdings, Inc. and Subsidiary
(A Development Stage Company)
Condensed Consolidated Balance Sheets as of March 31, 2010 (unaudited)
And December 31, 2009

	March 31, 2010 (unaudited)	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ 280,309
Prepaid services and other current assets (note 1)	41,472	68,347
Total current assets	41,472	348,656
Deposits and other assets (note 1)	7,718	7,693
Furniture and equipment, net of accumulated depreciation of \$91,487 and \$89,130, respectively (note 2)	26,839	29,197
Total assets	\$ 76,029	\$ 385,546
Liabilities and Stockholders' Deficit		
Current liabilities		
Cash overdraft	\$ 2,240	\$ -
Accounts payable and accrued liabilities (note 3)	1,110,912	785,501
Current portion of notes payable (note 4)	2,000,000	2,000,000
Redemption option liability (note 4)	300,000	300,000
Total current liabilities	3,413,152	3,085,501
Derivative liability (note 5)	4,397,040	2,256,200
Notes payable, net of discount of \$2,921,339 and \$3,006,498, respectively (note 4)	4,347,550	4,062,391
Total liabilities	12,157,742	9,404,092
Commitments and contingencies	-	-
Stockholders' deficit (note 6)		
Preferred stock, \$0.001 par value:		
10,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$0.001 par value: 100,000,000 shares authorized; 14,130,857 shares and 13,630,857 shares issued and outstanding		

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at March 31, 2010 and December 31, 2009, respectively	14,130	13,630
Additional paid-in capital	18,969,888	18,717,575
Common stock subscribed (note 6)	20,444	10,222
Deficit Accumulated during the development stage	(31,086,175)	(27,759,973)
Total stockholder's deficit	(12,081,713)	(9,018,546)
Total liabilities and stockholders' deficit	\$ 76,029	\$ 385,546

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

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IR BioSciences Holdings, Inc. and Subsidiary
(A Development Stage Company)
Condensed Consolidated Statements of Losses
for the three months ended March 31, 2010 and 2009,
and for the period of inception (October 30, 2002) to March 31, 2010
(Unaudited)

	For the Three Months Ended March 31, 2010	For the Three Months Ended March 31, 2009	Cumulative from Inception (October 30, 2002) to March 31, 2010
Revenue	\$	\$-	\$
Operating expenses:			
Selling, general and administrative expenses	889,838	844,910	25,126,215
Merger fees and costs	-	-	350,000
Impairment of intangible asset	-	-	6,393
Total operating expenses	889,838	844,910	25,482,608
Operating loss	(889,838)	(844,910)	(25,482,608)
Other expense:			
Cost of penalty for late registration of shares	-	-	2,192,160
(Gain) loss from change in fair value of derivative liability	1,940,840	732,295	(1,721,782)
Financing cost	9,375	31,250	403,750
Interest (income) expense, net	486,149	532,592	4,718,895
Total other (income) expense	2,436,364	1,296,137	5,593,023
Loss before income taxes	(3,326,202)	(2,141,047)	(31,075,631)
Provision for income taxes	-	-	(10,544)
Net loss	\$(3,326,202)	\$(2,141,047)	\$(31,086,175)
Net loss per share - basic and diluted	\$(0.24)	\$(0.16)	\$(3.87)
Weighted average shares outstanding - basic and diluted	13,891,968	13,041,969	8,025,105

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

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IR BioSciences Holding, Inc. and Subsidiary
(A Development Stage Company)
Condensed Consolidated Statement of Stockholders' Equity (Deficit)
From Date of Inception (October 30, 2002) to March 31, 2010
(Unaudited)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Balance at October 30, 2002 (date of inception)	-	\$-	\$-	\$-	\$-	\$-	\$-
Shares of common stock issued at \$0.006 per share to founders for license of proprietary right in December 2002	1,661,228	1,661	7,589	-	-	-	9,250
Shares of common stock issued at \$0.006 per share to founders for services rendered in December 2002	140,531	141	641	-	-	-	782
Shares of common stock issued at \$1.671 per share to consultants for services rendered in December 2002	5,388	5	8,995	(9,000)	-	-	-
Sale of common stock for cash at \$1.671 per share in December 2002	18,558	19	30,982	-	-	-	31,001
Net loss for the period from inception (October 30, 2002) to December 31,	-	-	-	-	-	(45,918)	(45,918)

2002

Balance at December 31, 2002 (reflective of stock splits)	1,825,704	\$1,826	\$48,207	\$ (9,000)	\$-	\$(45,918)	\$(4,885)
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IR BioSciences Holding, Inc. and Subsidiary
(A Development Stage Company)
Condensed Consolidated Statement of Stockholders' Equity (Deficit)
From Date of Inception (October 30, 2002) to March 31, 2010
(Unaudited)
(Continued)

	Common Stock Shares	Amount	Paid-In Capital	Additional Deferred Compensation	Stock Subscribed	Common Accumulated Deficit	Total
Shares granted to consultants at \$1.392 per share for services rendered in January 2003	9,878	10	13,740	-	-	-	13,750