

IR BIOSCIENCES HOLDINGS INC  
Form 10QSB  
November 14, 2007

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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 quarterly period ended September 30, 2007

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.)

8767 E. Via de Ventura, Suite 190, Scottsdale, Arizona 85258

(Address of principal executive offices) Zip Code

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

4021 N. 75th Street, Suite 201, Scottsdale, Arizona 85251

(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 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 November 14, 2007 was 114,322,539.

Transitional Small Business Disclosure Format (check one): Yes  No

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**IR BIOSCIENCES HOLDINGS, INC. AND SUBSIDIARY**

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**IR BioSciences Holdings, Inc. and Subsidiary**  
**(A Development Stage Company)**  
**Condensed Consolidated Balance Sheet as of September 30, 2007**  
**(Unaudited)**

## Current assets

Cash and cash equivalents	\$	871,987
Prepaid services and other current assets (Note 1)		33,921
Salary advance (Note 1)		3,000
<b>Total current assets</b>		<b>908,908</b>
Furniture and equipment, net of accumulated depreciation of \$21,544 (Note 2)		26,553
Deposits and other assets (Note 1)		2,260
<b>Total assets</b>	<b>\$</b>	<b>937,721</b>

**Liabilities and Stockholders' Equity**

<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$	664,820
<b>Total current liabilities</b>		<b>664,820</b>
<b>Commitments and Contingencies</b>		<b>-</b>
<b>Stockholders' Equity</b>		
Preferred stock, \$0.001 par value:		
10,000,000 shares authorized, no shares issued and outstanding		-
Common stock, \$0.001 par value; 250,000,000 shares authorized;		
114,322,539 shares issued and outstanding at September 30, 2007 (Note 6)		114,323
Additional paid-in capital		17,858,988
Deficit accumulated during the development stage		(17,700,410)
<b>Total stockholders' equity</b>		<b>272,901</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$</b>	<b>937,721</b>

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 Statement of Losses**  
**For the three and nine months ended September 30, 2007 and 2006,**  
**And for the period of inception (October 30, 2002) to September 30, 2007**  
**(Unaudited)**

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Period October 30, 2002 to September 30, 2007
	2007	2006	2007	2006	
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses:					
Selling, general and administrative expenses	2,447,782	598,045	4,463,800	1,761,161	15,033,418
Merger fees and costs	-	-	-	-	350,000
Financing cost	-	-	-	-	90,000
Impairment of intangible asset costs	-	-	-	-	6,393
Total operating expenses	2,447,782	598,045	4,463,800	1,761,161	15,479,811
Operating loss	(2,447,782)	(598,045)	(4,463,800)	(1,761,161)	(15,479,811)
Other expense:					
Cost of penalty for late registration of shares	-	-	-	(438,601)	2,192,160
(Gain) loss from marking to market - warrant portion of penalty for late registration of shares	-	(76,750)	-	(123,505)	(378,198)
(Gain) loss from marketing to market - stock portion of penalty for late registration of shares	-	(373,572)	-	(445,673)	(760,058)
Interest (income) expense, net	(10,221)	32,290	(57,899)	47,181	1,157,366
Total other (income) expense	(10,221)	(418,032)	(57,899)	(960,598)	2,211,270
Income (loss) before income taxes	(2,437,561)	(180,013)	(4,405,901)	(800,563)	(17,691,081)
Provision for income taxes	(1,214)	-	(9,329)	-	(9,329)

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Net (loss)	\$	(2,438,775)	\$	(180,013)	\$	(4,415,230)	\$	(800,563)	\$	(17,700,410)
Net income (loss) per share - basic and diluted	\$	(0.02)	\$	(0.00)	\$	(0.04)	\$	(0.01)	\$	(0.34)
Weighted average shares outstanding - basic and diluted		114,322,539		71,429,544		114,188,044		70,165,289		51,487,987

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**IR BioSciences Holding, Inc. and Subsidiary**  
**(A Development Stage Company)**  
**Consolidated Statement of Stockholders' Equity (Deficit)**  
**From date of inception (October 30, 2002) to September 30, 2007**  
**(Unaudited)**

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
Balance at October 30, 2002 (date of inception)	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shares of common stock issued at \$0.0006 per share to founders for license of proprietary right in December 2002	16,612,276	16,612	(7,362)	-	-	-	9,250
Shares of common stock issued at \$0.0006 per share to founders for services rendered in December 2002	1,405,310	1,405	(623)	-	-	-	782
Shares of common stock issued at \$0.1671 per share to consultants for services rendered in December 2002	53,878	54	8,946	(9,000)	-	-	-
Sale of common stock for cash at \$0.1671 per share in December 2002	185,578	186	30,815	-	-	-	31,001
	-	-	-	-	-	(45,918)	(45,918)

Net loss for the period from inception (October 30, 2002) to December 31, 2002

Balance at December 31, 2002 (reflective of stock splits)

18,257,042	\$	18,257	\$	31,776	\$	(9,000)	\$	-	\$	(45,918)	\$	(4,885)
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**IR BioSciences Holding, Inc. and Subsidiary**  
**(A Development Stage Company)**  
**Consolidated Statement of Stockholders' Equity (Deficit)**  
**From date of inception (October 30, 2002) to September 30, 2007**  
**(Unaudited)**  
**(Continued)**

	<b>Common Stock Shares</b>	<b>Common Stock Amount</b>	<b>Additional Paid-In Capital</b>	<b>Deferred Compensation</b>	<b>Common Stock Subscribed</b>	<b>Accumulated Deficit</b>	<b>Total</b>
Shares granted to consultants at \$0.1392 per share for services rendered in January 2003	98,776	99	13,651	-	-	-	13,750
Sale of shares of common stock for cash at \$0.1517 per share in January 2003	329,552	330	49,670	-	-	-	50,000
Shares granted to consultants at \$0.1392 per share for services rendered in March 2003	154,450	154	21,346	-	-	-	21,500
Conversion of notes payable to common stock at \$0.1392 per share in April 2003	1,436,736	1,437	198,563	-	-	-	200,000
Shares granted to consultants at \$0.1413 per share for services rendered in April 2003	14,368	14	2,016	-	-	-	2,030

Sale of shares of common stock for cash at \$0.2784 per share in May 2003	17,960	18	4,982	-	-	-	5,000
Sales of shares of common stock for cash at \$0.2784 per share in June 2003	35,918	36	9,964	-	-	-	10,000
Conversion of notes payable to common stock at \$0.1392 per share in June 2003	718,368	718	99,282	-	-	-	100,000
Beneficial conversion feature associated with notes issued in June 2003	-	-	60,560	-	-	-	60,560
Amortization of deferred compensation	-	-	-	9,000	-	-	9,000
Costs of GPN Merger in July 2003	2,368,130	2,368	(123,168)	-	-	-	(120,799)
Value of warrants issued with extended notes payable in October 2003	-	-	189,937	-	-	-	189,937
Value of Company warrants issued in conjunction with fourth quarter notes payable issued October through	-	-	207,457	-	-	-	207,457

December 2003							
Value of warrants contributed by founders in conjunction with fourth quarter notes payable issued October through December 2003	-	-	183,543	-	-	-	183,543
Value of warrants issued for services in October through December 2003	-	-	85,861	-	-	-	85,861
Net loss for the twelve month period ended December 31, 2003	-	-	-	-	-	(1,856,702)	(1,856,702)
Balance at December 31, 2003	23,431,300	\$ 23,431	\$ 1,035,441	\$ -	\$ -	\$ (1,902,620)	\$ (843,748)

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**From date of inception (October 30, 2002) to September 30, 2007**  
**(Unaudited)**  
**(Continued)**

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
Shares granted at \$1.00 per share pursuant to the Senior Note Agreement in January 2004	600,000	600	599,400	(600,000)	-	-	-
Shares issued at \$1.00 per share to a consultant for services rendered in January 2004	800,000	800	799,200	(800,000)	-	-	-
Shares issued to a consultant at \$0.62 per share for services rendered in February 2004	40,000	40	24,760	(24,800)	-	-	-
Shares issued to a consultant at \$0.40 per share for services rendered in March 2004	1,051,600	1,051	419,589	(420,640)	-	-	-
Shares issued to a consultant at \$0.50 per share for services rendered in March 2004	500,000	500	249,500	(250,000)	-	-	-
Shares sold for cash at \$0.15 per	8,000	8	1,192	-	-	-	1,200

share in March, 2004							
Shares issued at \$0.50 per share to consultants for services rendered in March 2004	20,000	20	9,980	-	-	-	10,000
Shares issued to a consultant at \$0.40 per share for services rendered in March 2004	2,000	2	798	-	-	-	800
Shares issued to consultants at \$0.32 per share for services rendered in March 2004	91,600	92	29,220	-	-	-	29,312
Shares to be issued to consultant at \$0.41 per share in April 2004 for services to be rendered through March 2005	-	-	-	(82,000)	-	-	(82,000)
Shares granted pursuant to the New Senior Note Agreement in April 2004	600,000	600	149,400	(150,000)	-	-	-

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**From date of inception (October 30, 2002) to September 30, 2007**  
**(Unaudited)**  
**(Continued)**

	<b>Common Stock Shares</b>	<b>Common Stock Amount</b>	<b>Additional Paid-In Capital</b>	<b>Deferred Compensation</b>	<b>Common Stock Subscribed</b>	<b>Accumulated Deficit</b>	<b>Total</b>
Shares issued to officer at \$0.32 per share for services rendered in April 2004	200,000	200	63,800	-	-	-	64,000
Conversion of Note Payable to common stock at \$0.10 per share in May 2004	350,000	350	34,650	-	-	-	35,000
Beneficial Conversion Feature associated with note payable in May 2004	-	-	35,000	-	-	-	35,000
Issuance of warrants to officers and founder for services rendered in May 2004	-	-	269,208	-	-	-	269,208
Shares to a consultant at \$0.20 per share as a due diligence fee in May 2004	125,000	125	24,875	-	-	-	25,000
	500,000	500	499,500	(500,000)	-	-	-

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Shares issued to a consultant at \$1.00 per share for services to be rendered over twelve months beginning May 2004							
Beneficial Conversion Feature associated with notes payable issued in June 2004	-	-	3,000	-	-	-	3,000
Issuance of warrants to note holders in April, May, and June 2004	-	-	17,915	-	-	-	17,915
Issuance of warrants to employees and consultants for services rendered in April through June 2004	-	-	8,318	-	-	-	8,318
Shares issued in July to a consultant at \$0.10 for services to be rendered through July 2005	250,000	250	24,750	(25,000)	-	-	-
Shares issued to a consultant in July and September at \$0.41 per share for services to be rendered through April 2005	200,000	200	81,800	-	-	-	82,000
Shares issued to a consultant in	127,276	127	16,782	-	-	-	16,909

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September at \$0.12 to \$0.22 for services rendered through September 2004							
Shares issued in July to September 2004 as interest on note payable	300,000	300	35,700	-	-	-	36,000
Issuance of warrants with notes payable in July and August 2004	-	-	72,252	-	-	-	72,252
Accrued deferred compensation in August 2004 to a consultant for 100,000 shares at \$0.10 per share, committed but unissued	-	-	-	(10,000)	-	-	(10,000)
Shares issued in August 2004 at \$0.14 to a consultant for services to be performed through October 2004	100,000	100	13,900	(14,000)	-	-	-

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**Consolidated Statement of Stockholders' Equity (Deficit)**  
**From date of inception (October 30, 2002) to September 30, 2007**  
**(Unaudited)**  
**(Continued)**

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deferred Compensation	Common Stock Subscribed	Accumulated Deficit	Total
Shares issued in August 2004 at \$0.125 per share for conversion of \$30,000 demand loan	240,000	240	29,760	-	-	-	30,000
Shares issued in August 2004 at \$0.16 per share to a consultant for services provided.	125,000	125	19,875	-	-	-	20,000
Shares issued in October 2004 to employees at \$0.16 to \$0.25 per share	48,804	49	8,335	-	-	-	8,384
Commitment to issue 100,000 shares of stock to a consultant at \$0.23 per share for services to be provided through September 2005	-	-	-	(23,000)	-	-	(23,000)
Sale of stock for cash in October at \$0.125 per share, net of costs of \$298,155	18,160,000	18,160	1,345,763	-	-	-	1,363,923
Value of warrants issued with sale of common stock in October, net of costs	-	-	607,922	-	-	-	607,922
Issuance of warrant to officer in October, 2004	-	-	112,697	-	-	-	112,697
Issuance of stock to investment bankers in October 2004 for	4,900,000	4,900	(4,900)	-	-	-	-

commissions earned

Conversion of accounts payable to stock in October at \$0.125 per share	1,257,746	1,258	107,382	-	-	-	108,640
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