

APPLIED DNA SCIENCES INC  
Form 10-Q  
May 10, 2010

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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: 33-17387

Applied DNA Sciences, Inc.

(Exact name of registrant as specified in its charter)

Delaware

59-2262718

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

25 Health Sciences Drive, Suite 113

Stony Brook, New York

11790

(Address of principal executive offices)

(Zip Code)

631-444-8090

(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 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 (§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 ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☒

(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

As of May 5, 2010, the registrant had 302,254,790 shares of common stock outstanding.

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Applied DNA Sciences, Inc.

Form 10-Q for the Quarter Ended March 31, 2010

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## Part I

## Item 1 - Financial Statements

APPLIED DNA SCIENCES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2010 (unaudited)	September 30, 2009
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$98,929	\$213,307
Accounts receivable	35,626	47,302
Prepaid expenses	25,085	79,436
Total current assets	159,640	340,045
Property, plant and equipment-net of accumulated depreciation of \$202,875 and \$199,119, respectively	7,987	11,743
Other assets:		
Deposits	8,322	8,322
Capitalized finance costs-net of accumulated amortization of \$726,641 and \$615,611, respectively	75,859	146,389
Intangible assets:		
Patents, net of accumulated amortization of \$34,257 and \$34,112, respectively (Note B)	-	145
Intellectual property, net of accumulated amortization and write off of \$8,612,369 and \$8,430,474, respectively (Note B)	818,531	1,000,426
Total Assets	\$1,070,339	\$1,507,070
<b>LIABILITIES AND DEFICIENCY IN STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$1,149,808	\$843,491
Advances, related party (Note E)	600,000	-
Convertible notes payable, net of unamortized discount of \$102,533 and \$319,589, (Note D)	2,447,467	2,410,411
Total current liabilities	4,197,275	3,253,902
Commitments and contingencies (Note H)	-	-
Deficiency in Stockholders' Equity (Note F)		
Preferred stock, par value \$0.001 per share; 10,000,000 shares authorized; -0- issued and outstanding as of March 31, 2010 and September 30, 2009, respectively	-	-
Common stock, par value \$0.001 per share; 410,000,000 shares authorized; 296,590,906 and 275,204,070 issued and outstanding as of March 31, 2010 and September 30, 2009, respectively	296,591	275,204
Additional paid in capital	143,205,386	141,409,667
Accumulated deficit	(146,628,913)	(143,431,703)

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Total deficiency in stockholders' equity	(3,126,936 )	(1,746,832 )
Total Liabilities and Deficiency in Stockholders' Equity	\$1,070,339	\$1,507,070

See the accompanying notes to the unaudited condensed consolidated financial statements

APPLIED DNA SCIENCES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2010	2009	2010	2009
Sales	\$ 187,275	\$ 64,670	\$ 259,990	\$ 211,245
Cost of sales	(14,036 )	(8,594 )	(28,470 )	(52,335 )
Gross Profit	173,239	56,076	231,520	158,910
Operating expenses:				
Selling, general and administrative	1,262,833	1,683,534	2,804,968	4,447,545
Research and development	20,654	40,860	26,802	103,389
Depreciation and amortization	92,350	105,645	185,796	214,627
Total operating expenses	1,375,837	1,830,039	3,017,566	4,765,561
NET LOSS FROM OPERATIONS	(1,202,598 )	(1,773,963 )	(2,786,046 )	(4,606,651 )
Other income (Note C)	-	12,023,888	-	12,023,888
Interest expense, net	(186,604 )	(212,222 )	(410,864 )	(695,051 )
Net (loss) income before provision for income taxes	(1,389,202 )	10,037,703	(3,196,910 )	6,722,186
Income taxes (benefit)	-	-	300	497
NET (LOSS) INCOME	\$(1,389,202 )	\$ 10,037,703	\$(3,197,210 )	\$ 6,721,689
Net (loss) income per share-basic	\$(0.00 )	\$ 0.04	\$(0.01 )	\$ 0.03
Net (loss) income per share-fully diluted	\$(0.00 )	\$ 0.04	\$(0.01 )	\$ 0.02
Weighted average shares outstanding-				
Basic	285,659,856	251,805,934	280,374,514	237,246,560
Fully diluted	285,659,856	279,523,227	280,374,514	279,523,227

See the accompanying notes to the unaudited condensed consolidated financial statements

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