

APPLIED DNA SCIENCES INC
Form 10QSB/A
March 03, 2008

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

AMENDMENT NO. 1 TO
FORM 10QSB

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Quarterly period ended June 30, 2007

Commission file number 002-90519

APPLIED DNA SCIENCES, INC.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

59-2262718
(I.R.S. Employer
Identification Number)

25 Health Sciences Drive, Suite 113
Stony Brook, New York
(Address of Principal Executive Offices)

11790
(Zip Code)

(631) 444-6861
(Registrant's telephone number, including area code)

- Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the last 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 shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

- The number of shares of Common Stock, \$0.001 par value, outstanding on August 17, 2007, was approximately 160,499,549.

· Transitional Small Business Disclosure Format (check one):

Yes No

EXPLANATORY NOTE

This Amendment No. 1 to Form 10-QSB/A (this “Amendment”) amends the Quarterly Report of Applied DNA Sciences, Inc. (the “Company”) on Form 10-QSB for the quarter ended June 30, 2007, as filed with the Securities and Exchange Commission on August 20, 2007 (the “Original Filing”). This Amendment is being filed for the purpose of clarifying the description of the accounting errors and related disclosures to the accompanying financial statements which gave rise to the restatement of the financial statements for the three and nine months ended June 30, 2006 and from September 16, 2002 (date of inception) through June 30, 2006 as described in Note I to the financial statements. We have not updated the information contained herein for events occurring subsequent to August 20, 2007, the filing date of the Original Filing.

APPLIED DNA SCIENCES, INC
 AMENDMENT NO. 1 TO QUARTERLY REPORT ON FORM 10-QSB/A FOR THE
 QUARTERLY PERIOD ENDING JUNE 30, 2007

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

APPLIED DNA SCIENCES, INC.
(A Development stage company)
CONDENSED CONSOLIDATED BALANCE SHEET
(unaudited)

		June 30, 2007
ASSETS		
Current assets:		
Cash	\$	34,792
Prepaid expenses		138,875
Total current assets		173,667
Property, plant and equipment-net of accumulated depreciation of \$67,497		120,865
Other assets:		
Deposits		13,822
Capitalized finance costs-net of accumulated amortization of \$1,641,988		65,612
Intangible assets:		
Patients, net of accumulated amortization of \$23,732 (Note B)		10,525
Intellectual property, net of accumulated amortization and write off of \$7,611,943 (Note B)		1,818,957
Total Assets	\$	2,203,448
LIABILITIES AND DEFICIENCY IN STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$	8,976,675
Convertible notes payable, net of unamortized discount (Note D)		1,745,855
Total current liabilities		10,722,530
Debt derivative and warrant liability		4,468,404
Commitments and contingencies (Note J)		
Deficiency in Stockholders' Equity- (Note F)		
Preferred stock, par value \$0.001 per share; 10,000,000 shares authorized; 60,000 issued and outstanding		6
Common stock, par value \$0.001 per share; 410,000,000 shares authorized; 160,499,549 issued and outstanding		160,499

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Additional paid in capital		87,420,306
Accumulated deficit		(100,568,297)
Total deficiency in stockholders' equity		(12,987,486)

Total liabilities and Deficiency in Stockholders' Equity	\$	2,203,448
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See the accompanying notes to the consolidated financial statements

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APPLIED DNA SCIENCES, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF LOSSES
(unaudited)

	For the three months Ended June 30,		For the nine months Ended June 30,		From September 16, 2002 (Date of Inception) Through June 30, 2007
	2007	2006 RESTATED	2007	2006 RESTATED	
Sales	\$ -	\$ 18,900	\$ -	\$ 18,900	\$ 18,900
Cost of sales	-	(15,639)	-	(15,639)	15,639
Gross Profit	-	3,261	-	3,261	3,261
Operating expenses:					
Selling, general and administrative	1,968,642	1,580,967	6,012,028	4,391,305	86,077,987
Research and development	25,504	-	94,289	75,276	1,124,888
Impairment of intangible asset(s)	-	-	-	-	5,655,011
Depreciation and amortization	108,357	336,824	324,594	1,021,199	2,054,320
Total operating expenses	2,102,503	1,917,791	6,430,912	5,487,780	94,912,207
NET LOSS FROM OPERATIONS	(2,102,503)	(1,914,530)	(6,430,912)	(5,484,519)	(94,908,946)
Net gain (loss) in revaluation of debt derivative and warrant liabilities	4,431,421	3,493,961	142,131	14,250,621	33,687,958
Other income	(0)	8,483	977	17,976	111,807
Interest expense	(520,963)	(826,827)	(1,945,702)	(3,177,229)	(39,459,116)
Net income (loss) before provision for income taxes	1,807,954	761,087	(8,233,506)	5,606,849	(100,568,297)

Income taxes (benefit)	-	-	-	-	-
NET INCOME (LOSS)	\$ 1,807,954	\$ 761,087	\$ (8,233,506)	\$ 5,606,849	\$ (100,568,297)
Net income (loss) per share-basic	\$ 0.01	\$ 0.01	\$ (0.07)	\$ 0.05	
Net loss per share-assuming fully diluted-Note A	\$ (0.02)	\$ (0.02)	\$ (0.05)	\$ (0.04)	
Weighted average shares outstanding-					
Basic	132,310,413	118,582,385	124,844,409	115,852,521	
Fully diluted	170,056,948	177,501,849	162,590,944	181,716,985	

See the accompanying notes to the consolidated financial statements

APPLIED DNA SCIENCES, INC
(A development stage company)
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY, (DEFICIENCY)
FOR THE PERIOD SEPTEMBER 16, 2002 (DATE OF INCEPTION) THROUGH JUNE 30, 2007
(unaudited)

	Preferred		Common		Additional Paid in	Common	Stock	Deficit Accumulated During	
	Preferred Shares	Common Shares	Common Stock Amount	Capital Amount	Stock Subscribed	Subscription Receivable	Development Stage	Total	
Issuance of common stock to Founders in exchange for services on September 16, 2002 at \$.01 per share	-	-	100,000	\$ 10	\$ 990	\$ -	\$ -	\$ -	\$ 1,000
Net Loss	-	-	-	-	-	-	(11,612)	(11,612)	
Balance at September 30, 2002	-	\$ -	100,000	\$ 10	\$ 990	\$ -	\$ (11,612)	\$ (10,612)	
Issuance of common stock in connection with merger with Prohealth Medical Technologies, Inc on October 1, 2002	-	-	10,178,352	1,015	-	-	-	-	1,015
Cancellation of common stock in connection with merger with Prohealth Medical Technologies, Inc on October 21, 2002	-	-	(100,000)	(10)	(1,000)	-	-	-	(1,010)
Issuance of common stock in									

exchange for services in October 2002 at \$0.65 per share	-	-	602,000	60	39,070	-	-	-	39,130
Issuance of common stock in exchange for subscription in November and December 2002 at \$0.065 per share	-	-	876,000	88	56,852	-	(56,940)	-	-
Cancellation of common stock in January 2003 previously issued in exchange for consulting services	-	-	(836,000)	(84)	(54,264)	-	54,340	-	(8)
Issuance of common stock in exchange for licensing services valued at \$0.065 per share in January 2003	-	-	1,500,000	150	97,350	-	-	-	97,500
Issuance of common stock in exchange for consulting services valued at \$0.13 per share in January 2003	-	-	586,250	58	76,155	-	-	-	76,213
Issuance of common stock in exchange for consulting services at \$0.065 per share in February 2003	-	-	9,000	1	584	-	-	-	585

Issuance of
common stock to
Founders in
exchange for
services valued
at \$0.0001 per
share in March
2003

-	-	10,140,000	1,014	-	-	-	-	1,014
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Issuance of
common stock in
exchange for
consulting
services valued
at \$2.50 per
share in March
2003

-	-	91,060	10	230,624	-	-	-	230,634
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	Preferred Shares	Preferred Shares Amount	Common Shares	Common Stock Amount	Additional Paid in Capital Amount	Common Stock Subscribed	Stock Subscription Receivable	Deficit Accumulated During Development Stage	Total
Issuance of common stock in exchange for consulting services valued at \$0.065 per share in March 2003	-	-	-	6,000	1	389	-	-	390
Common stock subscribed in exchange for cash at \$1 per share in March 2003	-	-	-	-	-	18,000	-	-	18,000
Common stock issued in exchange for consulting services at \$0.065 per share on April 1, 2003	-	-	-	860,000	86	55,814	-	-	55,900
Common stock issued in exchange for cash at \$1.00 per share on April 9, 2003	-	-	-	18,000	2	-	-	-	2
Common stock issued in exchange for consulting services at \$0.065 per share on April 9,									

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2003	-	-	9,000	1	584	-	-	-	585
Common stock issued in exchange for consulting services at \$2.50 per share on April 23, 2003	-	-	5,000	1	12,499	-	-	-	12,500
Common stock issued in exchange for consulting services at \$2.50 per share, on June 12, 2003	-	-	10,000	1	24,999	-	-	-	25,000
Common stock issued in exchange for cash at \$1.00 per share on June 17, 2003	-	-	50,000	5	49,995	-	-	-	50,000
Common stock subscribed in exchange for cash at \$2.50 per share pursuant to a private placement on June 27, 2003	-	-	-	-	-	24,000	-	-	24,000
Common stock retired in exchange for note payable at \$0.0118 per share, in June 30, 2003	-	-	(7,500,000)	(750)	750	-	-	-	-
Common stock issued in exchange for consulting services at \$0.065 per share, on June 30, 2003	-	-	270,000	27	17,523	-	-	-	17,550
Common stock subscribed in									

exchange for cash at \$1.00 per share pursuant to a private placement on June 30, 2003	-	-	-	-	-	10,000	-	-	10,000
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Common stock subscribed in exchange for cash at \$2.50 per share pursuant to a private placement on June 30, 2003	-	-	-	-	-	24,000	-	-	24,000
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(unaudited)

	Preferred Shares	Preferred Shares Amount	Common Shares	Common Stock Amount	Additional Paid in Capital Amount	Common Stock Subscribed	Stock Subscription Receivable	Deficit Accumulated During Development Stage	Total
Common stock issued in exchange for consulting services at approximately \$2.01 per share, July 2003	-	-	213,060	21	428,798	-	-	-	428,819
Common stock canceled in July 2003, previously issued for services rendered at \$2.50 per share	-	-	(24,000)	(2)	(59,998)	-	-	-	(60,000)
Common stock issued in exchange for options exercised at \$1.00 per share in July 2003	-	-	20,000	2	19,998	-	-	-	20,000
Common stock issued in exchange for exercise of options previously subscribed at \$1.00 per share in July 2003	-	-	10,000	1	9,999	(10,000)	-	-	-
Common stock issued in exchange for consulting services									

at approximately

\$2.38 per

Share in August 2003 - - 172,500 17 410,915 - - - 410,932