

ADVENTRX PHARMACEUTICALS INC
Form 10QSB
May 12, 2004

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-QSB

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2004

Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number 001-32157

ADVENTRX Pharmaceuticals, Inc.

(formerly Biokeys Pharmaceuticals, Inc.)
(Exact name of small business issuer as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

84-1318182
(IRS Employer
Identification No.)
9948 Hibert Street, Suite 100
San Diego, California 92131
(Address of principal executive offices)

(858) 271-9671
(Issuer's telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such report), and (2) has been subject to such filing requirements for the past 90 days.
Yes No

As of April 30, 2004, 53,387,954 shares of the issuer's common stock, par value \$0.001 per share, were outstanding.

Transitional Small Business Disclosure Format (Check One): YES NO

ADVENTRX PHARMACEUTICALS, INC.
 (formerly Biokeys Pharmaceuticals, Inc.)
FORM 10-QSB
March 31, 2004
INDEX

PART I FINANCIAL INFORMATION	1
Item 1. Condensed Financial Statements	1
a. Condensed Balance Sheets as of March 31, 2004 (Unaudited) and December 31, 2003	1
b. Condensed Statements of Operations for the three months ended March 31, 2004 and 2003 and for the period from inception through March 31, 2004 (Unaudited)	2
c. Condensed Statements of Shareholders' Equity (Deficit) from Inception (June 12, 1996) through March 31, 2004 (Unaudited)	3
d. Condensed Statements of Cash Flows for the three months ended March 31, 2004 and 2003 and for the period from inception through March 31, 2004 (Unaudited)	4
e. Notes to Condensed Financial Statements (Unaudited)	5
Item 2. Plan of Operation	11
Item 3. Controls and Procedures	19
PART II Other Information	20
Item 1. Legal Proceedings	20
Item 2. Changes In Securities	20
Item 3. Defaults Upon Senior Securities	21
Item 4. Submission of Matters to a Vote of Security Holders	21
Item 5. Other Information	21
Item 6. Exhibits and Reports on Form 8-K	22

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

ADVENTRX PHARMACEUTICALS, INC
 (Formerly Biokeys Pharmaceuticals, Inc.)
 (A Development Stage Enterprise)
 Condensed Balance Sheets

	<u>March 31,</u> <u>2004</u>	<u>December 31,</u> <u>2003</u>
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,423,918	
		\$
4,226,397		
Prepaid expenses		135,735
		28,376
		<u> </u>
		<u> </u>
		<u> </u>
Total current assets		3,559,653
		4,254,773
Property and equipment, net		54,582
		20,840
Other assets		7,743
		<u>7,743</u>
		<u> </u>
		<u> </u>
		<u> </u>
Total assets		

\$
3,621,978
\$
4,283,356

Liabilities and Shareholders' Equity

Current liabilities:

Accounts payable and accrued liabilities

\$
51,469

Accrued dividends payable

\$
90,243

72,800

Total liabilities

51,469
163,043

Commitments and contingencies

Shareholders' equity:

Series A cumulative convertible preferred stock, \$0.01 par value.

Authorized 8,000 shares; issued and outstanding, 473

Edgar Filing: ADVENTRX PHARMACEUTICALS INC - Form 10QSB

shares in 2003 (aggregate involuntary liquidation preference

\$473,000 December 31, 2003)

4

Series B convertible preferred series stock, \$0.01 par value.

Authorized 200,000 shares; issued and outstanding, 200,000

shares in 2003 (no liquidation preference)

2,000

Common stock, \$0.001 par value. Authorized 100,000,000 shares;

issued 42,970,330 shares in 2004 and

issued and outstanding 42,491,708 shares in 2003

42,970

42,492

Additional paid-in capital

32,753,895

32,556,963

Deficit accumulated during the development stage

(29,191,609)

(28,481,146)

Treasury Stock, shares at cost; issued 23,165 shares

(34,747)

Total shareholders equity

3,570,509

4,120,313

Edgar Filing: ADVENTRX PHARMACEUTICALS INC - Form 10QSB

Total liabilities and shareholders' equity

\$
3,621,978
\$
4,283,356

See accompanying notes to condensed financial statements.

ADVENTRX PHARMACEUTICALS, INC.
 (Formerly Biokeys Pharmaceuticals, Inc.)
 (A Development Stage Enterprise)
 Condensed Statements of Operations
 (unaudited)

	Three months ended March 31,		Inception (June 12, 1996)
	2004	2003	through March 31, 2004
Net sales	\$	\$	\$ 174,830
Cost of goods sold			51,094
Gross margin			123,736
Grant revenue		3,603	129,733
Interest income	3,346	675	102,582
	3,346	4,278	356,051
Operating expenses:			
Research and development	296,375	(16,188)	5,026,301
General and administrative	414,382	423,504	8,829,226
Depreciation and amortization	3,052	1,494	10,101,759
Impairment loss write off of goodwill			5,702,130
Interest expense		962	179,090
Equity in loss of investee			178,936
Total operating expenses	713,809	409,772	30,017,442
Loss before cumulative effect of change in accounting principle			(710,463)
			(405,494)
			(29,661,391)
Cumulative effect of change in accounting principle			(25,821)

Edgar Filing: ADVENTRX PHARMACEUTICALS INC - Form 10QSB

Net loss

(710,463)

(405,494)

Preferred stock dividends

(29,687,212)

(9,460)

(602,320)

Net loss applicable to common stock

\$
(710,463)

\$
(414,954)

\$
(30,289,532)

Loss per common share basic and diluted

\$
(.02)

\$
(.02)

See accompanying notes to condensed financial statements.

ADVENTRX PHARMACEUTICALS, INC.
(Formerly Biokeys Pharmaceuticals, Inc.)
 (A Development Stage Enterprise)
 Condensed Statements of Shareholders' Equity (Deficit)
 Inception (June 12, 1996) through March 31, 2004
 (unaudited)

Cumulative convertible preferred stock, series A	Cumulative convertible preferred stock, series B	Cumulative convertible preferred stock, series C	Common stock	Additional paid-in	Deficit accumulated during the development	Treasury Stock,	Total shareholders equity
		Shares					
		Amount					Shares Amount
		Shares					
		Amount					
		Shares					
		Amount					
		capital					
		stage					
		at cost					
		(deficit)					

Edgar Filing: ADVENTRX PHARMACEUTICALS INC - Form 10QSB

Balances at June 12, 1996 (date of incorporation)

\$

\$

\$

\$

\$

\$

\$

Sale of common stock without par value

503

5

5

Change in par value of common stock	10
	(4)
	4
Issuance of common stock and net liabilities assumed in acquisition	
	1,716,132
	1,716
	3,224
	(18,094)
Issuance of common stock	(13,154)

2,010,111

2,010

456

(2,466)

Net loss

(259,476)

(259,476)

Edgar Filing: ADVENTRX PHARMACEUTICALS INC - Form 10QSB

Balances at December 31, 1996

	3,726,746
	3,727
	3,689
	(280,036)
	(272,620)
Sale of common stock, net of offering costs of \$9,976	
	1,004,554
	1,004
	1,789,975
	1,790,979
Issuance of common stock in acquisition	

	375,891
	376
	887,874
	888,250
Minority interest deficiency at acquisition charged to the Company	
	(45,003)
Net loss	(45,003)

(1,979,400)

(1,979,400)
