

PLURISTEM LIFE SYSTEMS INC
Form 10QSB
February 09, 2006
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **December 31, 2005**

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number **001-31392**

PLURISTEM LIFE SYSTEMS, INC.

(Exact name of small business issuer as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

98-0351734

(IRS Employer Identification No.)

MATAM Advanced Technology Park, Building No. 20, Haifa, Israel 31905

(Address of principal executive offices)

011-972-4-850-1080

(Issuer's telephone number)

N/A

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

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 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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the issuer has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

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State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 63,733,483 common shares issued and outstanding as of January 18, 2006

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

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

It is the opinion of management that the consolidated interim financial statements for the quarter ended December 31, 2005, include all adjustments necessary in order to ensure that the consolidated interim financial statements are not misleading.

PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2005

IN U.S. DOLLARS

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PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

CONSOLIDATED BALANCE SHEET

In U.S. Dollars

	December
	31,
	2005
	(Unaudited)
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 1,018,484
Prepaid expenses	12,385
Other accounts receivables	54,590
<u>Total</u> current assets	1,085,459
LONG-TERM RESTRICTED LEASE DEPOSIT	30,949
SEVERANCE PAY FUND	40,043
PROPERTY AND EQUIPMENT, NET	256,897
DEFERRED ISSUANCE EXPENSES	147,502
<u>Total</u> assets	\$ 1,560,850

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The accompanying notes are an integral part of the consolidated financial statements.

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PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

CONSOLIDATED BALANCE SHEET

In U.S. Dollars

	December
	31,
	2005
	(Unaudited)
LIABILITIES AND STOCKHOLDERS EQUITY	
CURRENT LIABILITIES:	
Current maturities know-how licensors	\$ 218,750
Trade payables	140,976
Accrued expenses	137,260
Other accounts payable	70,044
<u>Total current liabilities</u>	567,030
LONG-TERM LIABILITIES	

Accrued severance pay

51,860

STOCKHOLDERS EQUITY

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Share capital:

Common stock \$0.00001 par value:

Authorized: 1,400,000,000 shares

Issued and Outstanding: 63,653,483 shares

Additional paid-in capital

Deficit accumulated during the development stage

636

6,451,846

(5,510,522)

941,960

\$ 1,560,850

The accompanying notes are an integral part of the consolidated financial statements.

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PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

**CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
In U.S. Dollars (except share and per share data)**

	Six Month Period Ended December 31,		Three Month Ended December 31,		Period From May 11, 2001 (Inception) Through December 31,
	2005	2004	2005	2004	2005
Research and development costs, net	\$ 520,177	\$ 411,305	\$ 266,871	\$ 149,970	\$ 3,310,359
General and administrative expenses	412,679	478,857	203,770	265,508	3,573,098
In-process research and development write-off	-	-	-	-	246,470
	932,856	890,162	470,641	415,478	7,129,927
Financial expenses (income), net	(71,690)	(181,207)	15,376	(13,597)	(1,619,405)
Net loss for the period	\$ 861,166	\$ 708,955	\$ 486,017	\$ 401,881	\$ 5,510,522
Basic and diluted net loss per share	\$ (0.01)	\$ (0.03)	\$ (0.01)	\$ (0.01)	
Weighted average number of shares used in computing basic and diluted net loss per share:	63,653,483	27,423,700	63,653,483	27,953,592	

The accompanying notes are an integral part of the consolidated financial statements.

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PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

**STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY (DEFICIENCY)
In U.S. Dollars (except shares data)**

	Common Stock Shares	Amount	Additional paid-in Capital	Receipts On account of shares	Deficit Accumulated during the Development Stage	Total Stockholders Equity (Deficiency)
Issuance of common stock on July 9, 2001	35,000,000	\$ 350	\$ 2,150	\$ -	\$ -	\$ 2,500
Balance as of June 30, 2001 (audited)	35,000,000	350	-	-	-	2,500
Net loss	-	-	-	-	(77,903)	(77,903)
Balance as of June 30, 2002	35,000,000	350	2,150	-	(77,903)	(75,403)
Issuance of common stock on October 14, 2002, Net of issuance expenses of \$17,359	14,133,000	141	83,450	-	-	83,591
Forgiveness of debt	-	-	11,760	-	-	11,760
Stocks cancelled on March 19, 2003	(27,300,000)	(273)	273	-	-	-
Receipts on account of stock and warrants, net of finders and legal fees of \$56,540	-	-	-	933,464	-	933,464
Net loss	-	-	-	-	(462,995)	(462,995)
Balance as of June 30, 2003 (audited)	21,833,000	\$ 218	\$ 97,633	\$ 933,464	\$ (540,898)	\$ 490,417

The accompanying notes are an integral part of the consolidated financial statements.

PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
In U.S. Dollars (except share and per share data)

	Common Stock Shares	Amount	Additional paid-in Capital	Receipts on account of shares	Deficit accumulated During the development stage	Total Shareholders Equity (Deficiency)
Balance as of July 1, 2003	21,833,000	\$ 218	\$ 97,633	\$ 933,464	\$ (540,898)	\$ 490,417
Issuance of common stock on July 16, 2003, net of issuance expenses of \$70,110	725,483	7	1,235,752	(933,464)	-	302,295
Issuance of common stock on January 20, 2004	3,000,000	30	-	-	-	30
Issuance of warrants on January 20, 2004 for finder's fee	-	-	192,000	-	-	192,000
Common stock granted to consultants on February 11, 2004	1,000,000	10	799,990	-	-	800,000
Stock based compensation related to warrants granted to consultants on December 31, 2003	-	-	357,618	-	-	357,618
Exercise of warrants on April 19, 2004	300,000	3	224,997	-	-	225,000
Net loss for the year	-	-	-	-	(2,010,350)	(2,010,350)
Balance as of June 30, 2004	26,858,483	\$ 268	\$ 2,907,990	\$ -	\$ (2,551,248)	\$ 357,010

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PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
In U.S. Dollars (except share and per share data)

	Common Stock Shares	Amount	Additional paid-in capital	Receipts on account of shares	Deficit accumulated During the development stage	Total Shareholders Equity (Deficiency)
Balance as of July 1, 2004	26,858,483	\$ 268	\$ 2,907,990	\$ -	\$ (2,551,248)	\$ 357,010
Stock-based compensation related to warrants granted to consultants on September 30, 2004	-	-	161,641	-	-	161,641
Issuance of common stock and warrants on November 30, 2004 related to the October 2004 Agreement net of issuance costs of \$28,908	3,250,000	33	296,059	-	-	296,092
Issuance of common stock and warrants on January 26, 2005 related to the October 2004 Agreement net of issuance costs of \$4,975	4,300,000	43	424,982	-	-	425,025
Issuance of common stock and warrants on January 31, 2005 related to the January 31, 2005 Agreement	7,000,000	70	-	-	-	70
Issuance of common stock and options on February 15, 2005 to former director of the company	50,000	(*)	14,500	-	-	14,500
Issuance of common stock and warrants on February 16, 2005 related to the January 31, 2005 Agreement	5,000,000	50	-	-	-	50

(*) Less than one dollar

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PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

**CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
In U.S. Dollars (except share and per share data)**

	Common Stock Shares	Amount	Additional paid-in capital	Receipts on account of shares	Deficit accumulated During the development stage	Total Shareholders Equity (Deficiency)
Issuance of warrants on February 16, 2005 for finder fee related to the January 31, 2005 Agreement	-	-	144,000	-	-	144,000
Issuance of common stock and warrants on March 3, 2005 related to the January 24, 2005 Agreement net of issuance costs of \$24,000	12,000,000	120	1,175,880	-	-	1,176,000
Issuance of common stock on March 3, 2005 for finder fee related to the January 24, 2005 Agreement	1,845,000	18	(18)	-	-	-
Issuance of common stock and warrants on March 3, 2005 related to the October 2004 Agreement net of issuance costs of \$6,038	750,000	8	68,954	-	-	68,962
Issuance of common stock and warrants to the Chief Executive Officer on March 23, 2005	2,400,000	24	695,976	-	-	696,000
Issuance of common stock on March 23, 2005 related to the October 2004						