

APPLIED ENERGETICS, INC.
Form 10-Q
May 10, 2011

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, 2011

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 001-14015

APPLIED ENERGETICS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation
or Organization)

77-0262908
(IRS Employer Identification Number)

3590 East Columbia Street
Tucson, Arizona
(Address of Principal Executive Offices)

85714
(Zip Code)

Registrant's telephone number, including area code (520) 628-7415

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: <input type="checkbox"/>	Accelerated filer: <input checked="" type="checkbox"/>	Non-accelerated filer: <input type="checkbox"/>	Smaller reporting company: <input type="checkbox"/>
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(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 x

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. As of May 6, 2011, there were 91,188,441 shares of the issuer's common stock, par value \$.001 per share, outstanding.

APPLIED ENERGETICS, INC.
QUARTERLY REPORT ON FORM 10-Q
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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

APPLIED ENERGETICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2011 (Unaudited)	December 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8,327,319	\$ 8,983,281
Accounts receivable	1,571,381	2,022,292
Inventory	258,881	683,546
Prepaid expenses and deposits	408,218	365,506
Other receivables	53,117	48,717
Total current assets	10,618,916	12,103,342
Long term receivables - net	205,313	205,313
Property and equipment - net	2,415,165	2,507,814
Other assets	10,000	10,000
TOTAL ASSETS	\$ 13,249,394	\$ 14,826,469
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 917,974	\$ 870,009
Accrued expenses	597,432	1,005,682
Accrued compensation	621,835	507,341
Customer deposits	24,997	126,282
Billings in excess of costs	39,567	6,505
Total current liabilities	2,201,805	2,515,819
Total liabilities	2,201,805	2,515,819
Commitments and contingencies - See Note 9		
Stockholders' equity		
Series A Convertible Preferred Stock, \$.001 par value, 2,000,000 shares authorized; 107,172 shares issued and outstanding at March 31, 2011 and at December 31, 2010	107	107
Common stock, \$.001 par value, 125,000,000 shares authorized; 91,153,770 shares issued and outstanding at March 31, 2011 and 91,068,357 shares issued and outstanding at December 31, 2010	91,153	91,068
Additional paid-in capital	78,882,637	78,738,520
Accumulated deficit	(67,926,308)	(66,519,045)
Total stockholders' equity	11,047,589	12,310,650
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 13,249,394	\$ 14,826,469

See accompanying notes to condensed consolidated financial statements (unaudited)

APPLIED ENERGETICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ended March 31,	
	2011	2010
Revenue	\$2,816,578	\$3,594,778
Cost of revenue	2,672,114	3,368,676
Gross profit	144,464	226,102
Operating expenses		
General and administrative	994,686	1,077,232
Selling and marketing	324,840	71,654
Research and development	186,201	32,862
Total operating expenses	1,505,727	1,181,748
Operating loss	(1,361,263)	(955,646)
Other (expense) income		
Interest expense	(1,411)	(1,667)
Interest income	1,248	2,462
Total other	(163)	795
Net loss	(1,361,426)	(954,851)
Preferred stock dividends	(45,836)	(57,984)
Net loss attributable to common stockholders	\$(1,407,262)	\$(1,012,835)
Net loss per common share – basic and diluted		