

CELSION CORP
Form 10-Q
November 14, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2007

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 000-14242

CELSION CORPORATION

(Exact Name of Registrant as Specified in its Charter)

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Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

52-1256615

(I.R.S. employer
identification no.)

10220-L Old Columbia Road, Columbia, Maryland

(Address of Principal Executive Offices)

21046-2364

(Zip Code)

(410) 290-5390

(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated in Rule 12b-2 of the Exchange Act.

Large Accelerated filer: Accelerated filer: Non-accelerated filer:

Indicate by checkmark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange

Act). Yes No

As of October 22, 2007 the Registrant had outstanding 10,834,917 shares of Common Stock, \$.01 par value.

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SIGNATURES

EXHIBITS

- 10.1 Loan and Security Agreement, dated as of November 9, 2007, by and between Celsion Corporation and Manufacturers and Traders Trust Company (incorporated by reference to the Company's 8-K filed on November 14, 2007.)
- 11 Statement Re. Computation of Earnings Per Share. (Filed herewith)
- 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed herewith)
- 31.2 Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed herewith)
- 32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Furnished herewith)
- 32.2 Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Furnished herewith)

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements.

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CELSION CORPORATION

BALANCE SHEETS

September 30, 2007 and December 31, 2006

ASSETS

	September 30, 2007 (Unaudited)	December 31, 2006
Current assets		
Cash and cash equivalents	\$ 2,385,374	\$ 1,032,674
Short term investments	8,900,000	8,000,000
Accounts receivable - trade	229,350	1,882,373
Other receivables	3,802	21,675
Due from Boston Scientific Corporation	15,000,000	
Inventories		2,830,549
Prepaid expenses	260,143	430,494
Escrow account - license fee		1,824,740
Total current assets	26,778,669	16,022,505
Property and equipment - at cost		
Furniture and office equipment	195,508	185,877
Computer hardware and software	352,560	317,390
Laboratory and shop equipment	376,907	755,482
Leasehold improvements	132,148	132,148
	1,057,123	1,390,897
Less: Accumulated depreciation	752,471	875,834
Net value of property and equipment	304,652	515,063
Other assets		
Advances under Celsion (Canada), Ltd.		
Transition Services Agreement (net of allowance of \$428,722 and \$0, respectively)	200,000	583,322
Note receivable (net of discount of \$189,415 and \$268,394, respectively)	1,160,585	1,081,606
Due from Boston Scientific Corporation - Non Current	15,000,000	
Deposits and other assets	1,261,517	653,931
Patent licensing fees (net of accumulated amortization of \$7,500 and \$1,875, respectively)	67,500	73,125
Total other assets	17,689,602	2,391,984
Total assets	\$ 44,772,923	\$ 18,929,552

LIABILITIES AND STOCKHOLDERS EQUITY / (DEFICIT)

	September 30, 2007 (Unaudited)	December 31, 2006
Current liabilities		
Accounts payable - trade	\$ 1,176,072	\$ 2,135,605
Other accrued liabilities	6,531,207	1,291,469
Income taxes payable	68,500	
Accrued non-cash compensation	17,340	9,500
Note payable - current portion	565,308	
Current portion of deferred revenue - license fee		571,428
Total current liabilities	8,358,427	4,008,002
Long-term liabilities		
Deferred revenue - license fee		