

ALFACELL CORP
Form 10-Q
June 09, 2009

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: April 30, 2009

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: 0-11088

ALFACELL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of organization)

22-2369085
(I.R.S. Employer Identification No.)

300 Atrium Drive, Somerset, NJ 08873
(Address of principal executive offices) (Zip Code)

(732) 652-4525
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name, former address, and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant has (1) 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 website, if any, every Interactive Data File required to be submitted and posted to Rule 405 of Regulation S-T 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 or a non-accelerated filer. See definitions of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company

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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, \$.001 par value, outstanding as of June 8, 2009 was 47,313,880 shares.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ALFACELL CORPORATION
(A Development Stage Company)

CONDENSED BALANCE SHEETS

April 30, 2009 and July 31, 2008

	April 30, 2009 (Unaudited)	July 31, 2008 (See Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 646,488	\$ 4,661,656
Prepaid expenses	85,043	165,259
Total current assets	731,531	4,826,915
Property and equipment, net of accumulated depreciation and amortization of \$369,008 at April 30, 2009 and \$342,031 at July 31, 2008	116,144	143,121
Other assets	350,000	350,000
Total assets	\$ 1,197,675	\$ 5,320,036
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Accounts payable	\$ 989,381	\$ 1,252,478
Accrued clinical trial expenses	569,191	882,386
Accrued professional service fees	334,258	511,779
Accrued compensation expense	367,518	227,803
Current portion of obligations under capital lease	4,070	3,453
Other accrued expenses	5,637	4,135
Total current liabilities	2,270,055	2,882,034
Other liabilities:		
Obligations under capital lease, net of current portion	13,806	16,940
Accrued retirement benefits	280,500	510,000
Deferred rent	286,620	267,668
Deferred revenue	5,200,000	5,200,000
Total other liabilities	5,780,926	5,994,608
Total liabilities	8,050,981	8,876,642
Stockholders' deficiency:		
Preferred stock, \$.001 par value. Authorized and unissued, 1,000,000 shares at April 30, 2009 and July 31, 2008	-	-
Common stock \$.001 par value. Authorized 100,000,000 shares at April 30, 2009 and July 31, 2008; issued and outstanding 47,313,880 shares and 47,276,880 shares at April 30, 2009 and July 31, 2008, respectively	47,314	47,277
Capital in excess of par value	101,645,146	100,788,973
Deficit accumulated during development stage	(108,545,766)	(104,392,856)
Total stockholders' deficiency	(6,853,306)	(3,556,606)
Total liabilities and stockholders' deficiency	\$ 1,197,675	\$ 5,320,036

See accompanying notes to condensed financial statements.

ALFACELL CORPORATION
(A Development Stage Company)

CONDENSED STATEMENTS OF OPERATIONS

Three and nine months ended April 30, 2009 and 2008,
and the Period from August 24, 1981
(Date of Inception) to April 30, 2009

(Unaudited)

	Three Months Ended April 30,		Nine Months Ended April 30,		August 24, 1981 (Date of Inception) to April 30, 2009
	2009	2008	2009	2008	
Sales	\$ -	\$ -	\$ -	\$ -	\$ 553,489
Operating expenses:					
Cost of sales	-	-	-	-	336,495
Research and development	361,766	2,704,980	3,187,000	6,354,271	72,500,532
General and administrative	333,949	2,386,992	2,127,658	5,032,243	40,660,426
Total operating expenses	695,715	5,091,972	5,314,658	11,386,514	113,497,453
Loss from operations	(695,715)	(5,091,972)	(5,314,658)	(11,386,514)	(112,943,964)
Investment income	1,000	67,028	25,083	193,598	2,301,531
Other income	-	-	-	-	99,939
Interest:					