

PLURISTEM LIFE SYSTEMS INC
Form 10QSB
November 14, 2007

**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 **September 30, 2007**

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)

+972-74-710-7171

(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 CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 1,244,109,853 common shares issued and outstanding as of October 24, 2007

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

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

As of and for the period ended September 30, 2007

IN THOUSANDS U.S. DOLLARS

PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2007

IN THOUSANDS U.S. DOLLARS

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PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

CONSOLIDATED BALANCE SHEET (UNAUDITED)

In thousands U.S. Dollars

	September 30, 2007
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 562
Marketable securities	3,693
Prepaid expenses	253
Accounts receivable from the OCS	733
Other accounts receivables	429
Total current assets	5,670
LONG-TERM ASSETS:	
Long-term restricted deposit	124
Severance pay fund	102
Property and equipment, net	611
Total long-term assets	837
Total assets	\$ 6,507

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

PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

CONSOLIDATED BALANCE SHEET (UNAUDITED)

In thousands U.S. Dollars

	September 30, 2007
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Trade payables	\$ 532
Accrued expenses	106
Other accounts payable	177
Total current liabilities	815
LONG-TERM LIABILITIES	
Long-term loan	36
Accrued severance pay	120
	156
STOCKHOLDERS' EQUITY	
Share capital:	
Common stock \$0.00001 par value:	
Authorized: 1,400,000,000 shares	
Issued and Outstanding: 1,244,109,853 shares	12
Additional paid-in capital	23,406
Other comprehensive loss	(84)
Deficit accumulated during the development stage	(17,798)
	5,536
	\$ 6,507

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

PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

CONSOLIDATED BALANCE SHEET (UNAUDITED)

In thousands U.S. Dollars

	Three months ended September 30,		Period from May 11, 2001 (Inception) through September 30, 2007
	2007	2006	
Research and development costs	\$ 1,246	\$ 393	\$ 8,534
Less participation by the Office of the Chief Scientist	(409)	(3)	(1,324)
Research and development costs, net	837	390	7,210
General and administrative expenses	1,557	406	9,477
Know how write-off	-	-	2,474
	2,394	796	19,161
Financial income, net	114	512	1,363
Net loss for the period	2,280	\$ 284	\$ 17,798
Basic and diluted net loss per share	\$ (0.002)	\$ (0.004)	
Weighted average number of shares used in computing basic and diluted net loss per share:	1,158,912,570	69,160,410	

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PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

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

	Common Stock		Additional	Receipts	Deficit	Total
	Shares	Amount	paid-in	On account	Accumulated	Stockholders'
			Capital	of shares	during the	Equity
					Development	(Deficiency)
					Stage	
Issuance of common stock on July 9, 2001	35,000,000	\$ 1	\$ 2	\$ -	\$ -	3
Balance as of June 30, 2001	35,000,000	1	2	-	-	3
Net loss	-	-	-	-	(78)	(78)
Balance as of June 30, 2002	35,000,000	1	2	-	(78)	(75)
Issuance of common stock on October 14, 2002, Net of issuance expenses of \$17	14,133,000	(*)	83	-	-	83
Forgiveness of debt	-	-	12	-	-	12
Stocks cancelled on March 19, 2003	(27,300,000)	(*)	(*)	-	-	-
Receipts on account of stock and warrants, net of finders and legal fees of \$56	-	-	-	933	-	933
Net loss	-	-	-	-	(463)	(463)
Balance as of June 30, 2003	21,833,000	\$ 1	\$ 97	\$ 933	\$(541)	490

(*) Less than one thousand dollars.

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

PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY) (UNAUDITED)
In thousands U.S. Dollars (except share and per share data)

	Common Stock Shares	Common Stock 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	\$ 1	\$ 97	\$ 933	\$ (541)	490
Issuance of common stock on July 16, 2003, net of issuance expenses of \$70	725,483	(*)	1,236	(933)	-	303
Issuance of common stock on January 20, 2004	3,000,000	(*)	-	-	-	(*)
Issuance of warrants on January 20, 2004 for finder's fee	-	-	192	-	-	192
Common stock granted to consultants on February 11, 2004	1,000,000	(*)	800	-	-	800
Stock based compensation related to warrants granted to consultants on December 31, 2003	-	-	358	-	-	358
Exercise of warrants on April 19, 2004	300,000	(*)	225	-	-	225
Net loss for the year	-	-	-	-	(2,011)	(2,011)
Balance as of June 30, 2004	26,858,483	\$ 1	\$ 2,908	\$ -	\$ (2,552)	357

(*) Less than one thousand dollars

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PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY) (UNAUDITED)
In thousands U.S. Dollars (except share and per share data)

	Common Stock Shares	Common Stock Amount	Additional paid-in capital	Deficit accumulated During the development stage	Total Shareholders' Equity (Deficiency)
Balance as of July 1, 2004	26,858,483	\$ 1	\$ 2,908	\$ (2,552)	\$ 357
Stock-based compensation related to warrants granted to consultants on September 30, 2004	-	-	162	-	162
Issuance of common stock and warrants on November 30, 2004 related to the October 2004 Agreement net of issuance costs of \$29	3,250,000	(*)	296	-	296
Issuance of common stock and warrants on January 26, 2005 related to the October 2004 Agreement net of issuance costs of \$5	4,300,000	(*)	425	-	425
Issuance of common stock and warrants on January 31, 2005 related to the January 31, 2005 Agreement	7,000,000	(*)	-	-	(*)
Issuance of common stock and options on February 15, 2005 to former director of the Company	50,000	(*)	14	-	14
Issuance of common stock and warrants on February 16, 2005 related to the January 31, 2005 Agreement	5,000,000	(*)	-	-	(*)

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PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY
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STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY) (UNAUDITED)
In thousands U.S. Dollars (except share and per share data)

	Common Stock Shares	Common Stock Amount	Additional paid-in capital	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	-	144
Issuance of common stock and warrants on March 3, 2005 related to the January 24, 2005 Agreement net of issuance costs of \$24	12,000,000	(*)	1,176	-	1,176
Issuance of common stock on March 3, 2005 for finder fee related to the January 24, 2005 Agreement	1,845,000	(*)	(*)	-	-
Issuance of common stock and warrants on March 3, 2005 related to the October 2004 Agreement net of issuance costs of \$6	750,000	(*)	69	-	69
Issuance of common stock and warrants to the Chief Executive Officer on March 23, 2005	2,400,000	(*)	696	-	696
Issuance of common stock on March 23, 2005 related to the October 2004 Agreement	200,000	(*)	20	-	20

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PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY
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STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY) (UNAUDITED)
In thousands U.S. Dollars (except share and per share data)

	Common Stock Shares	Common Stock Amount	Additional paid-in capital	Deficit accumulated during the development stage	Total Shareholders' Equity (Deficiency)
Classification of a liability in respect of warrants to additional paid in capital, net of issuance costs of \$ 178	-	-	542	-	542
Net loss for the year	-	-	-	(2,098)	(2,098)
Balance as of June 30, 2005	63,653,483	1	6,452	(4,650)	1,803
Exercise of warrants on November 28, 2005 to finders related to the January 24, 2005 agreement	80,000	(*)	-	-	-
Exercise of warrants on January 25, 2006 To finders related to the January 25, 2005 Agreement	10,000	(*)	-	-	-
Reclassification of warrants from equity To liabilities due to application of EITF 00-19	-	-	(8)	-	(8)
Net loss for the year	-	-	-	(2,439)	(2,439)
Balance as of June 30, 2006	63,743,483	\$ 1	\$ 6,444	(7,089)\$	(644)

(*) Less than one thousand dollars

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STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY) (UNAUDITED)
In thousands U.S. Dollars (except share and per share data)

	Common Stock		Additional	Receipts	Other	Deficit	Total	Sha
	Shares	Amount	paid-in	on	comprehensive	Accumulated	Comprehensive	
			Capital	account	loss	During the	loss	
				of		Development		
				shares		stage		
Balance as of July 1, 2006	63,743,483	\$ 1	\$ 6,444	\$ -		\$ (7,089)	\$ -	
Conversion of convertible debenture, net of issuance costs of \$440	203,952,201	2	1,785	-	-	-	-	
Classification of a liability in respect of warrants	-	-	360	-	-	-	-	
Classification of deferred issuance expenses	-	-	(379)	-	-	-	-	
Classification of a liability in respect of options granted to consultants	-	-	116	-	-	-	-	
Compensation related to options granted to employees	-	-	2,386	-	-	-	-	
Compensation related to options granted to Consultants	-	-						