

BIO IMAGING TECHNOLOGIES INC

Form 10QSB

November 14, 2003

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United States

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

(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, 2003

Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File No. 1-11182

BIO-IMAGING TECHNOLOGIES, INC.

(Exact Name of Small Business Issuer as Specified in Its Charter)

Delaware

11-2872047

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(State or Other Jurisdiction of

(I.R.S. Employer Identification No.)

Incorporation or Organization)

826 Newtown-Yardley Road, Newtown, Pennsylvania 18940-1721
(Address of Principal Executive Offices)

(267) 757-3000

(Issuer's Telephone Number,

Including Area Code)

Check whether the Issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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:

State the number of shares outstanding of each of the Issuer's classes of common stock, as of October 31, 2003:

<u>Class</u>	<u>Number of Shares</u>
Common Stock, \$0.00025 par value	10,632,977

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

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BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION.

Item 1. Financial Statements.

References in this Form 10-QSB to Bio-Imaging, we, us, or our refer to Bio-Imaging Technologies, Inc., a Delaware corporation, and its subsidiaries.

Certain information and footnote disclosures required under generally accepted accounting principles in the United States of America have been condensed or omitted from the following consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission, although we believe that such financial disclosures are adequate so that the information presented is not misleading in any material respect. The following consolidated financial statements should be read in conjunction with the year-end consolidated financial statements and notes thereto included in our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2002.

The results of operations for the interim periods presented in this Form 10-QSB are not necessarily indicative of the results to be expected for the entire fiscal year.

Table of Contents**BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

	September 30,	December 31,
	2003	2002
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,277,750	\$ 2,563,266
Accounts receivable, net	4,954,707	3,927,770
Prepaid expenses and other current assets	479,503	398,523
Deferred income taxes	113,319	364,319
	<u> </u>	<u> </u>
Total current assets	18,825,279	7,253,878
Property and equipment, net	4,368,299	3,611,299
Other assets	540,513	575,238
	<u> </u>	<u> </u>
Total assets	<u>\$ 23,734,091</u>	<u>\$ 11,440,415</u>
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 839,588	\$ 659,906
Accrued expenses and other current liabilities	1,796,298	1,364,128
Deferred revenue	3,941,180	3,264,660
Current maturities of capital lease obligations and convertible note	634,724	585,206
	<u> </u>	<u> </u>
Total current liabilities	7,211,790	5,873,900
Long-term capital lease obligations and convertible note	1,080,724	1,379,385
Other liability		567,722
	<u> </u>	<u> </u>
Total liabilities	8,292,514	7,821,007
	<u> </u>	<u> </u>
Stockholders' equity:		
Common stock - \$.00025 par value; authorized 18,000,000 shares, issued and outstanding 10,632,852 shares at September 30, 2003 and 8,427,653 shares at December 31, 2002	2,658	2,107
Additional paid-in capital	20,099,068	9,405,412
Accumulated deficit	(4,660,149)	(5,788,111)
	<u> </u>	<u> </u>
Stockholders' equity	15,441,577	3,619,408
	<u> </u>	<u> </u>
Total liabilities and stockholders' equity	<u>\$ 23,734,091</u>	<u>\$ 11,440,415</u>

Table of Contents**BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF INCOME**

(unaudited)

	For the Nine Months Ended	
	September 30,	
	2003	2002
Service revenues	\$ 15,922,710	\$ 12,625,857
Reimbursement revenues	2,289,141	2,616,468
Total revenues	18,211,851	15,242,325
Cost and expenses:		
Cost of revenues	12,246,484	10,775,874
General and administrative expenses	2,937,716	1,960,614
Sales and marketing expenses	1,501,868	1,267,928
Total cost and expenses	16,686,068	14,004,416
Income from operations	1,525,783	1,237,909
Interest expense - net	(101,409)	(81,233)
Income before income tax	1,424,374	1,156,676
Income tax provision	(296,412)	(156,514)
Net income	\$ 1,127,962	\$ 1,000,162
Basic earnings per common share	\$ 0.13	\$ 0.12
Weighted average number of common shares	8,805,713	8,341,046
Diluted earnings per common share	\$ 0.11	\$ 0.11
Weighted average number of common shares and dilutive common equivalent shares	10,309,348	9,589,490

See Notes to Consolidated Financial Statements

Table of Contents**BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF INCOME**

(unaudited)

	For the Three Months Ended	
	September 30,	
	2003	2002
Service revenues	\$ 5,462,240	\$ 4,368,291
Reimbursement revenues	875,709	1,073,754
Total revenues	6,337,949	5,442,045
Cost and expenses:		
Cost of revenues	4,170,449	3,823,477
General and administrative expenses	1,026,504	678,121
Sales and marketing expenses	520,669	412,257
Total cost and expenses	5,717,622	4,913,855
Income from operations	620,327	528,190
Interest expense - net	(31,036)	(31,152)
Income before income tax	589,291	497,038
Income tax provision	(62,417)	(84,750)
Net income	\$ 526,874	\$ 412,288
Basic earnings per common share	\$ 0.06	\$ 0.05
Weighted average number of common shares	9,132,327	8,395,057
Diluted earnings per common share	\$ 0.05	\$ 0.04
Weighted average number of common shares and dilutive common equivalent shares	10,782,284	9,785,475

See Notes to Consolidated Financial Statements

Table of Contents**BIO-IMAGING TECHNOLOGIES, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS**

(unaudited)

	For the Nine Months Ended	
	September 30,	
	2003	2002
Cash flows from operating activities:		
Net income	\$ 1,127,962	\$ 1,000,162
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	769,115	602,678
Provision for deferred income taxes	251,000	
Changes in operating assets and liabilities:		
Increase in accounts receivable	(1,026,937)	(373,021)
Increase in prepaid expenses and other current assets	(80,980)	(219,891)
Decrease (increase) in other assets	34,725	(133,031)
Increase (decrease) in accounts payable	179,682	(213,680)
Increase in accrued expenses and other current liabilities	532,122	643,729
Increase in deferred revenue	676,520	1,518,586
Net cash provided by operating activities	2,463,209	2,825,532
Cash flows from investing activities:		
Purchases of property and equipment	(1,278,420)	(839,160)
Net cash used in investing activities	(1,278,420)	(839,160)
Cash flows from financing activities:		
Payments under equipment lease obligations	(471,790)	(212,590)
Payments under promissory note	(125,000)	(125,000)
Proceeds from exercise of stock options	252,234	112,327
Net proceeds from private placement	9,874,251	
Net cash provided by (used in) financing activities	9,529,695	(225,263)
Net increase in cash and cash equivalents	10,714,484	1,761,109
Cash and cash equivalents at beginning of period	2,563,266	499,710
Cash and cash equivalents at end of period	\$ 13,277,750	\$ 2,260,819