

Cyclacel Pharmaceuticals, Inc.
Form 10-Q/A
July 07, 2006
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1 TO
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 March 31, 2006

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 0-50626

CYCLACEL PHARMACEUTICALS, INC.

(Exact name of Registrant as Specified in Its Charter)

DELAWARE
(State or Other Jurisdiction
of Incorporation or Organization)
150 JOHN F. KENNEDY PARKWAY, SHORT HILLS, NJ
(Address of principal executive offices)

91-1707622
(I.R.S. Employer
Identification No.)
07078
(Zip Code)

Registrant's telephone number, including area code: (973) 847-5955

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 filer" as defined in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 12, 2006 there were 16,157,953 shares of the registrant's common stock outstanding.

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Explanatory Note

On June 23, 2006, Cyclacel Pharmaceuticals, Inc. (the "Company") discovered that certain transaction costs incurred by Xayte Therapies, Inc. in connection with the completion of the Stock Purchase Agreement with Cyclacel Group plc were omitted from accrued liabilities on completion of the merger with a consequent incorrect allocation of the merger purchase price. The correction of this omission will result in an increase in Goodwill and Accrued liabilities of

\$825,000. This error was included in the Form 10-Q filed with the Securities and Exchange Commission on May 16, 2006. This amendment on Form 10-Q/A corrects the following line items of the balance sheet, and related notes, by an increase of \$825,000: Goodwill; Total assets; Accrued liabilities; Total current liabilities; Total liabilities; and Total liabilities and stockholders' equity.

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PART I. FINANCIAL INFORMATION

CYCLACEL PHARMACEUTICALS, INC.
(A Development Stage Company)
CONDENSED CONSOLIDATED BALANCE SHEETS

	As of March 31, 2006 Restated (Unaudited) \$000	As of December 31, 2005 (Note 1) \$000
ASSETS		
Current assets:		
Cash and cash equivalents	23,707	3,117
Short-term investments	6,918	10,690
Prepaid expenses and other current assets	3,378	3,219
Total current assets	34,003	17,026
Property, plant and equipment (net)	1,950	2,045
Deposits and other assets	259	—
Goodwill	2,749	—
Total assets	38,961	19,071
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	3,152	2,159
Amounts due to Cyclacel Group plc	1,156	10,467
Accrued liabilities	3,400	1,869
Other current liabilities	992	128
Derivative liability	1,842	—
Current portion of other accrued restructuring charges	982	—
Current portion of equipment financing	252	251
Total current liabilities	11,776	14,874
Other accrued restructuring charges, net of current	1,749	—
Equipment financing, net of current	16	78
Other liabilities	28	—
Total liabilities	13,569	14,952
Commitments and contingencies		

Stockholders' equity:

Preferred Ordinary shares, 0.1p par value; 21,000,000 shares authorized; Nil and 17,965,835 shares issued and outstanding in 2006 and 2005, respectively. Aggregate liquidation preference of \$Nil and \$210,954,000 (\$11.74 per share) at March 31, 2006 and December 31, 2005, respectively	—	30
Ordinary shares, 0.1p par value; 5,748,428 shares authorized; Nil and 1,871,210 shares issued and outstanding in 2006 and 2005, respectively	—	2
Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 2,046,813 and Nil shares issued and outstanding in 2006 and 2005. Aggregate preference in liquidation — \$20,673,000 at March 31, 2006	2	—
Common stock, \$0.001 par value; 100,000,000 shares authorized; 9,729,419 and Nil shares issued and outstanding in 2006 and 2005, respectively		