

SKINVISIBLE INC  
Form 10-Q  
November 14, 2011

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 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 **September 30, 2011**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: **000-25911**

**Skinvisible, Inc.**

(Exact name of Registrant as specified in its charter)

Nevada 88-0344219  
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)

6320 South Sandhill Road, Suite 10, Las Vegas, NV 89120  
(Address of principal executive offices)

702.433.7154  
(Registrant's telephone number)

\_\_\_\_\_  
(Former name, former address and former fiscal year, if changed since last report)

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

Edgar Filing: SKINVISIBLE INC - Form 10-Q

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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) 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, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer  Accelerated filer  Non-accelerated filer  
 Smaller reporting company

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

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:  
104,841,759 common shares as of October 1, 2011.

Table of Contents

TABLE OF CONTENTS

Page

PART I – FINANCIAL INFORMATION

Item 1: <u>Financial Statements</u>	3
Item 2: <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	4
Item 3: <u>Quantitative and Qualitative Disclosures About Market Risk</u>	10
Item 4T: <u>Controls and Procedures</u>	10

PART II – OTHER INFORMATION

Item 1: <u>Legal Proceedings</u>	11
Item 1A: <u>Risk Factors</u>	11
Item 2: <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	12
Item 3: <u>Defaults Upon Senior Securities</u>	12
Item 4: <u>Removed and Reserved</u>	12
Item 5: <u>Other Information</u>	12
Item 6: <u>Exhibits</u>	12

Table of Contents

**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements**

Our consolidated financial statements included in this Form 10-Q are as follows:

- F-1 Consolidated Balance Sheets as of September 30, 2011 (unaudited) and December 31, 2010 (audited);
- F-2 Consolidated Statements of Operations for the three and nine months ended September 30, 2011 and 2010 (unaudited);
- F-3 Consolidated Statements of Cash Flow for the nine months ended September 30, 2011 and 2010 (unaudited);
- F-4 Notes to Consolidated Financial Statements.

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the SEC instructions to Form 10-Q. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the interim period ended September 30, 2011 are not necessarily indicative of the results that can be expected for the full year.

Table of Contents

SKINVISIBLE, INC.

## CONSOLIDATED BALANCE SHEETS

	September 30, 2011 (Unaudited)	December 31, 2010 (Audited)
<b>ASSETS</b>		
Current assets		
Cash	\$5,590	\$2,481
Accounts receivable	203,732	—
Inventory	15,829	16,595
Due from related party	1,145	1,145
Prepaid expense and other current assets	39,412	14,003
Total current assets	265,708	34,224
Fixed assets, net of accumulated depreciation of \$329,673 and \$328,369, respectively	6,045	7,349
Intangible and other assets		
Patents and trademarks, net of accumulated amortization of \$146,767 and \$107,941, respectively	259,859	231,441
Total assets	\$531,612	\$273,014
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$597,705	\$638,717
Accrued interest payable	68,964	5,150
Loans from related party	14,735	—
Loans payable	31,894	—
Convertible notes payable, net of unamortized debt discount of \$-0- and \$3,477, respectively	60,928	108,965
Convertible notes payable related party, net of unamortized discount of \$269,149 and \$538,295, respectively	726,497	249,383
Unearned revenue	417,292	302,815
Total current liabilities	1,918,015	1,305,030
Total liabilities	1,918,015	1,305,030
Stockholders' deficit		
Common stock; \$0.001 par value; 200,000,000 shares authorized 104,841,759 and 97,518,259 shares issued and outstanding at September 30, 2011 and December 31, 2010, respectively	104,843	97,520
Additional paid-in capital	19,056,232	18,628,922
Accumulated deficit	(20,547,478)	(19,758,458)
Total stockholders' deficit	(1,386,403 )	(1,032,016 )
Total liabilities and stockholders' deficit	\$531,612	\$273,014

See Accompanying Notes to Consolidated Financial Statements

Table of Contents

SKINVISIBLE, INC.

## CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended		Nine months ended	
	September 30,	September	September 30,	September
	2011	30, 2010	2011	30, 2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	\$31,232	\$23,961	\$177,502	\$211,175
Cost of revenues	328	2,188	766	19,046
Gross profit	30,904	21,773	176,736	192,129
Operating expenses				
Depreciation and amortization	12,686	7,311	40,129	29,625
Selling general and administrative	\$352,683	\$225,711	\$854,896	\$624,428
Total operating expenses	365,369	233,022	895,025	654,053
Loss from operations	(334,465 )	(211,249 )	(718,289 )	(461,925 )
Other expense				
Interest expense	(27,156 )	(27,006 )	(70,731 )	(123,342 )
Total other expense	(27,156 )	(27,006 )	(70,731 )	(123,342 )
Provision for income taxes	—	—	—	—
Net loss	\$(361,621 )	\$(238,255 )	\$(789,020 )	\$(585,267 )
Basic loss per common share	\$(0.00 )	\$(0.00 )	\$(0.01 )	\$(0.01 )
Basic weighted average common shares outstanding	102,554,925	96,006,954	101,125,757	89,723,482

See Accompanying Notes to Consolidated Financial Statements

Table of Contents

SKINVISIBLE, INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(AUDITED)

	Nine months ended	
	September	September
	30, 2011	30, 2010
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net loss	\$(789,020)	\$(585,267)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	23,993	21,549
Stock based compensation	135,000	90,266
Amortization of debt discount	418,591	—
Interest expense paid with common stock	—	69,000
Changes in operating assets and liabilities:		
Decrease in inventory		