

PERFECTDATA CORP
Form 10QSB
February 17, 2004

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-QSB

ý Quarterly report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the quarterly period ended December 31, 2003

o 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 0-12817

PERFECTDATA CORPORATION

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

CALIFORNIA

(State or Other Jurisdiction of
Incorporation or Organization)

**1445 East Los Angeles Avenue
Suite 208**

Simi Valley, California 93065
(Address of Principal Executive Offices)

95-3087593

(I.R.S. Employer
Identification Number)

(805) 581-4000

(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 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 **ý** No **o**

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As of January 30, 2004, there were 6,209,530 shares of Common Stock outstanding.

Transitional Small Business Disclosure Format:

Yes No

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

PERFECTDATA CORPORATION

Balance Sheet

(Unaudited)

(Dollars in thousands)

	December 31, 2003
Assets	
Current assets:	
Cash and cash equivalents	\$ 2,106
Accounts receivable, net	145
Prepaid expenses and other current assets	70
Total current assets	2,321
Property, plant and equipment, at cost, net	\$ 2,321
Liabilities and Shareholders' Equity	
Current liabilities:	
Accounts payable	\$ 418
Accrued compensation	34
Other accrued expenses	123
Total current liabilities	575
Shareholders' equity:	
Preferred Stock. Authorized 2,000,000 shares; none issued	
Common Stock, no par value. Authorized 10,000,000 shares; issued and outstanding 6,209,530 shares	11,258
Accumulated deficit	(9,512)
Net shareholders' equity	1,746
	\$ 2,321

See accompanying notes to financial statements.

PERFECTDATA CORPORATION

Statements of Operations

(Unaudited)

(Amounts in thousands, except per share amounts)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2003	2002	2003	2002
Net sales	\$ 636	\$ 500	\$ 2,069	\$ 1,554
Cost of goods sold	420	326	1,352	1,013
Gross profit	216	174	717	541
Selling, general and administrative expenses	431	310	1,201	1,066
Loss from operations	(215)	(136)	(484)	(525)
Other income:				
Other, net	4	9	13	31
Net loss	(211)	(127)	(471)	(494)
Net loss per common share - basic and diluted	\$ (.03)	\$ (.02)	\$ (.08)	\$ (.08)
Weighted average shares outstanding - basic and diluted	6,209	6,159	6,187	6,159

See accompanying notes to financial statements.

PERFECTDATA CORPORATION

Statements of Cash Flows

(Unaudited)

(Dollars in thousands)

	Nine-Month Period Ended December 31,	
	2003	2002
Cash Flows from operating activities:		
Net loss	\$ (471)	\$ (494)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6	15
Stock issued for services	52	
(Increase) decrease in accounts receivable	13	(64)
(Increase) decrease in inventories	188	(14)
Increase in prepaid expenses and other assets	(8)	(2)
Increase in accounts payable	135	50
Increase in accrued expenses	18	7
Net cash used in operating activities	(67)	(502)
Decrease in cash and cash equivalents	(67)	(502)
Cash and cash equivalents at beginning of period	2,173	2,758
Cash and cash equivalents at end of period	\$ 2,106	\$ 2,256

See accompanying notes to financial statements.