

SKINVISIBLE INC
Form 10-Q
August 14, 2015

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 **June 30, 2015**
- 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

(State or other jurisdiction of incorporation or organization)

88-0344219

(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 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 (§

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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 [X] 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 [X] 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 [X] No

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
113,885,969 common shares as of July 22, 2015

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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 June 30, 2015 and December 31, 2014 (unaudited);

F-2 Consolidated Statements of Operations for the three and six months ended June 30, 2015 and 2014 (unaudited);

F-3 Consolidated Statements of Cash Flow for the six months ended June 30, 2015 and 2014 (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 June 30, 2015 are not necessarily indicative of the results that can be expected for the full year.

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CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash	\$41,561	\$ 196,602
Accounts receivable	6,139	9,457
Inventory	92,420	83,155
Due from related party	1,145	1,145
Prepaid expense and other current assets	—	—
Total current assets	141,265	290,359
Fixed assets, net of accumulated depreciation of \$325,065 and \$324,275, respectively	2,485	3,275
Intangible and other assets:		
Patents and trademarks, net of accumulated amortization of \$315,979 and \$288,203, respectively	330,190	352,420
Total assets	\$473,940	\$646,054
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities	\$618,290	\$420,762
Accrued interest payable	446,049	348,111
Loans from related party	1,910	1,910
Loans payable	1,021,000	—
Convertible notes payable, net of unamortized debt discount of \$11,881 and \$26,822, respectively	1,127,708	1,112,764
Convertible notes payable related party, net of unamortized discount of \$715,088 and \$874,163, respectively	1,332,253	1,173,178
Total current liabilities	4,547,210	3,056,725
Loans payable	1,187,000	1,940,000
Total liabilities	5,734,210	4,996,725
Stockholders' deficit		
Common stock; \$0.001 par value; 200,000,000 shares authorized; 113,957,969 and 111,813,969 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively	113,958	111,814
Additional paid-in capital	21,475,471	21,378,656
Stock payable	—	—
Accumulated deficit	(26,849,699)	(25,841,141)
Total stockholders' deficit	(5,260,270)	(4,350,671)
Total liabilities and stockholders' deficit	\$473,940	\$646,054

See Accompanying Notes to Consolidated Financial Statements.

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SKINVISIBLE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	Three months ending		Six months ending	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Revenues	\$54,676	\$8,935	\$128,051	\$18,973
Cost of revenues	41,235	912	46,188	3,233
Gross profit	13,441	8,023	81,863	15,740
Operating expenses				
Depreciation and amortization	14,477	9,501	28,746	18,347
Selling general and administrative	292,944	212,785	645,169	385,896
Total operating expenses	307,421	222,286	673,915	404,243
Loss from operations	(293,980)	(214,263)	(592,052)	(388,503)
Other income and (expense)				
Other income	—	63	26	188
Interest expense	(212,307)	(181,594)	(417,972)	(350,928)
Gain on extinguishment of debt	1,440	810	1,440	(990)
Total other expense	(210,867)	(180,721)	(416,506)	(351,730)
Net loss	\$(504,847)	\$(394,984)	\$(1,008,558)	\$(740,233)
Basic loss per common share	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.01)
Basic weighted average common shares outstanding	113,885,969	111,264,035	113,850,168	111,170,521

See Accompanying Notes to Consolidated Financial Statements.

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SKINVISIBLE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Month Ended	
	June 30, 2015	June 30, 2014
Cash flows from operating activities:		
Net loss	\$(1,008,558)	\$(740,233)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	28,746	18,347
Stock-based compensation	—	4,600
Amortization of debt discount	187,218	161,589
Gain on extinguishment of debt	(1,440)	990
Changes in operating assets and liabilities:		
Increase in inventory	(9,265)	(13,251)
Decrease in accounts receivable	3,318	4,094
Decrease in prepaid assets	—	1
Increase in accounts payable and accrued liabilities	204,728	82,434
Increase in accrued interest	97,938	75,345
Net cash used in operating activities	(497,315)	(406,084)
Cash flows from investing activities:		
Purchase of fixed and intangible assets	(5,726)	(12,923)
Net cash used in investing activities	(5,726)	(12,923)
Cash flows from financing activities:		
Proceeds from sale of common stock	80,000	—
Proceeds from related party loans, net of payments	—	78
Payments on notes payable	(32,000)	—
Proceeds from notes payable	300,000	43,000
Payments on convertible notes payable	—	(10,000)
Net cash provided by (used in) financing activities	348,000	33,078
Net change in cash	(155,041)	(385,929)
Cash, beginning of period	196,602	513,420
Cash, end of period	\$41,561	\$127,491
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$135,267	\$92,377
Cash paid for tax	\$—	\$—
Non-cash investing and financing activities:		