

Pharma-Bio Serv, Inc.  
Form 10-Q  
March 18, 2013

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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 January 31, 2013

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. 000-50956

PHARMA-BIO SERV, INC.  
(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of Incorporation  
or Organization)

20-0653570  
(IRS Employer Identification No.)

Pharma-Bio Serv Building,  
# 6 Road 696  
Dorado, Puerto Rico  
(Address of Principal Executive Offices)

00646  
(Zip Code)

Registrant's Telephone Number, Including Area Code 787-278-2709

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 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 (§232.405 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. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.



PHARMA-BIO SERV, INC.

FORM 10-Q  
FOR THE QUARTER ENDED JANUARY 31, 2013

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## PART I – FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## PHARMA-BIO SERV, INC.

Condensed Consolidated Balance Sheets  
(Unaudited)

|  | January 31,<br>2013* | October 31,<br>2012** |
|--|----------------------|-----------------------|
| <b>ASSETS:</b>   |                      |                       |
| Current assets   |                      |                       |
| Cash and cash equivalents  | \$7,011,951          | \$6,538,113           |
| Marketable securities  | 95,000               | 95,000                |
| Accounts receivable  | 7,719,623            | 7,580,167             |
| Other  | 435,591              | 382,773               |
| Total current assets   | 15,262,165           | 14,596,053            |
| Property and equipment   | 1,114,358            | 1,113,371             |
| Other assets   | 25,755               | 25,592                |
| Total assets   | \$16,402,278         | \$15,735,016          |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>   |                      |                       |
| Current liabilities  |                      |                       |
| Current portion-obligations under capital leases   | \$40,231             | \$39,436              |
| Accounts payable and accrued expenses  | 1,894,593            | 2,562,462             |
| Income taxes payable   | 264,684              | 173,620               |
| Total current liabilities  | 2,199,508            | 2,775,518             |
| Obligations under capital leases   | 73,554               | 83,912                |
| Total liabilities  | 2,273,062            | 2,859,430             |
| Stockholders' equity:  |                      |                       |
| Preferred Stock, \$0.0001 par value; authorized 10,000,000 shares;<br>none outstanding   | -                    | -                     |
| Common Stock, \$0.0001 par value; authorized 50,000,000 shares;<br>issued and outstanding 22,664,686 and 20,758,695 shares at<br>January 31, 2013 and October 31, 2012, respectively | 2,267                | 2,076                 |
| Additional paid-in capital   | 850,048              | 678,214               |
| Retained earnings  | 13,339,959           | 12,286,714            |
| Accumulated other comprehensive loss   | (63,058 )            | (91,418 )             |
| Total stockholders' equity   | 14,129,216           | 12,875,586            |
| Total liabilities and stockholders' equity   | \$16,402,278         | \$15,735,016          |

\* Unaudited.

\*\* Condensed from audited financial statements.

See notes to condensed consolidated financial statements.



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## PHARMA-BIO SERV, INC.

## Condensed Consolidated Statements of Income

(Unaudited)

|   | Three months ended<br>January 31, |             |
|---|-----------------------------------|-------------|
|   | 2013                              | 2012        |
| REVENUES                                      | \$7,654,392                       | \$6,359,891 |
| COST OF SERVICES                              | 5,087,624                         | 4,113,246   |
| GROSS PROFIT                                  | 2,566,768                         | 2,246,645   |
| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES  | 1,276,464                         | 884,700     |
| INCOME FROM OPERATIONS                        | 1,290,304                         | 1,361,945   |
| OTHER INCOME (EXPENSE):                       |                                   |             |
| Interest expense                              | (2,100 )                          | (2,247 )    |
| Interest income                               | 2,329                             | 3,784       |
| Gain on disposition of property and equipment | -                                 | 190         |
|   | 229                               | 1,727       |
| INCOME BEFORE INCOME TAXES                    | 1,290,533                         |             |