

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB/A

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d) [amend]

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FILER

FUTURE MEDICAL TECHNOLOGIES INTERNATIONAL INC

CIK: **856569** | IRS No.: **561668867** | State of Incorporation: **NV** | Fiscal Year End: **1231**
Type: **10QSB/A** | Act: **34** | File No.: **033-31577-NY** | Film No.: **96586993**
SIC: **3826** Laboratory analytical instruments

Mailing Address

*ONE GLENHARDIE
CORPORATE CENTER
1275 DRUMMERS LANE STE
201
WAYNE PA 19087*

Business Address

*ONE GLENHARDIE
CORPORATE CENTER
1275 DRUMMERS LANE STE
201
WAYNE PA 19087
6109759533*

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 FORM 10-QSB/A

(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,
 1996.

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 33-43537

FUTURE MEDICAL TECHNOLOGIES INTERNATIONAL, INC.
 (Name of small business issuer in its charter)

Nevada

56-1668867

(State of other jurisdiction of
 incorporation or organization)

(I.R.S. Employer
 Identification No.)

One Glenhardie Corporate Center, 1275 Drummers Lane, Suite 201, Wayne,
 Pennsylvania 19087
 (address of principal executive offices) (Zip Code)

Issuer's telephone number: 610-975-9533

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 X No

State the number of shares outstanding of each of the issuer's classes of
 common equity, as of April 16, 1996.

Common Stock, Par Value \$.001	10,874,745
(Class)	Outstanding

Transitional Small Business Disclosure Format (check one): Yes No X

FUTURE MEDICAL TECHNOLOGIES INTERNATIONAL, INC.

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FUTURE MEDICAL TECHNOLOGIES INTERNATIONAL, INC.
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Unaudited)

[CAPTION]

<TABLE>

	March 31, 1996
<S> Assets	<C>
Current Assets	
Cash and cash equivalents	\$ 1,408,454
Accounts receivable, net of allowance for doubtful accounts of \$69,573	732,686
Other receivable	10,000
Inventories:	
Raw materials	77,749
Work in process	21,282
Finished goods	65,776
Prepaid expenses	17,630
Costs and estimated earnings in excess of related billings on uncompleted contracts	(Note 1) 1,504,172
 Total Current Assets	 3,837,749

Property and Equipment	
Equipment	514,779
Molds	154,699
Furniture and fixtures	97,493
Demonstration model	158,325
	925,296
Less accumulated depreciation	(290,923)
Net Property and Equipment	634,373
Other Assets	
Computer software costs	50,977
Patents, net of accumulated amortization	117,007
Licensing agreement	64,552
Security deposit	7,772
Logo design	6,499
Other asset	2,774
Total Other Assets	249,581
Total Assets	\$ 4,721,703

</TABLE>

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FUTURE MEDICAL TECHNOLOGIES INTERNATIONAL, INC.
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Unaudited)

[CAPTION]
<TABLE>

<S> March 31, 1996
<C>

Liabilities and Shareholders' Equity

Current Liabilities	
Accounts payable	\$ 278,574

Billings in excess of related costs and estimated earnings on uncompleted contracts	(Note 1)	2,970,308
Accrued salaries		41,580
Accrued expenses		3,738
 Total Liabilities		 3,294,200
Shareholders' Equity		
Common stock, \$.001 par value per share, authorized 25,000,000 shares, issued and outstanding 10,875,034 shares		10,875
Additional paid-in capital		7,268,527
Unearned compensation	(57,575)
Deficit		(5,794,324)
 Total Shareholders' Equity		 1,427,503
 Total Liabilities and Shareholders' Equity		 \$ 4,721,703

</TABLE>

FUTURE MEDICAL TECHNOLOGIES INTERNATIONAL, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

<TABLE>
<CAPTION>

		For Three Months Ended March 31,	
		1996	1995
<S>		<C>	<C>
Revenue	(Note 1)	\$ 1,771,633	\$ 246,746
Cost and Expenses			
Cost of revenue		1,018,369	107,534
Selling, general and administrative		576,857	240,170
Research and development		121,785	
Total Cost and Expenses		1,717,011	347,704
Income (Loss) From Operations		54,622	(100,958)
Other Income (Expense)			
Interest and miscellaneous income		72,929	7,742
Miscellaneous expense		(12,491)	
Total Other Income (Expense)		60,438	7,742
Net Income (Loss)		\$ 115,060	\$ (93,216)
Net Income (Loss) Per Share		\$.01	\$ (.02)
Weighted Average Number of Shares Outstanding		10,856,081	4,517,565

</TABLE>

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FUTURE MEDICAL TECHNOLOGIES INTERNATIONAL, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<TABLE>

<CAPTION>

	Three Months Ended March 31,	
	1996	1995
<S>	<C>	<C>
Cash Flows From Operating Activities		
Net income (loss)	\$ 115,060	\$(93,216)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided By Operating Activities		
Amortization and depreciation	25,236	12,372
Changes In Operating Assets and Liabilities		
Increase in accounts receivable	(571,454)	(55,265)
Increase in inventories	(44,537)	(24,299)
Decrease (increase) in prepaid expenses	23,293	(15,464)
Increase in costs and estimated earnings in excess of related billings on uncompleted contracts	(1,504,172)	
Decrease in patent and other assets	(8,314)	
Increase in accounts payable and accrued expenses	89,776	19,194
Increase in dividends payable		260,000
Increase in billings in excess of related costs and estimated earnings on uncompleted contracts	2,970,308	168,859
Net Cash Provided By Operating Activities	1,095,196	272,181
Cash Flows Used In Investing Activities		
Purchase of property and equipment	(111,822)	(264,826)
Cash Flows From Financing Activities		
Decrease in loans from officer		(10,008)
Reduction in notes payable		(4,985)
Proceeds from issuance of common stock	119,245	1,150,000

Net Cash Provided By Financing Activities	119,245	1,135,007
Net Increase In Cash	1,102,619	1,142,362
Beginning Cash	305,835	18,373
Ending Cash	\$ 1,408,454	\$ 1,160,735

</TABLE>

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FUTURE MEDICAL TECHNOLOGIES INTERNATIONAL, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Nature of Organization

Future Medical Technologies, Inc. ("FMT") was incorporated under the laws of the State of New Jersey on September 28, 1989.

On January 26, 1990, West End Ventures, Inc. ("West End"), acquired 100% of the stock of FMT. West End is a company that was organized under the laws of the State of Nevada on August 1, 1989. West End completed a blind pool public offering of common stock on January 15, 1990. The Company's intent upon completion of the offering was to seek potential businesses with which to merge or acquire. Pursuant to the acquisition agreement, West End amended its Certificate of Incorporation to change its name to Future Medical Technologies International, Inc. ("FMTI" or the "Company"), the subsidiary (FMT) retained its name. West End's officers and directors resigned in favor of the current officers and directors of FMT.

On February 22, 1995, the Company effected a five for seven reverse stock split and completed the acquisition of 100% of the stock of Covalent Research Alliance Corporation, ("CRA") a Pennsylvania corporation, in exchange for 7,200,000 shares of post split common stock of FMTI. CRA is a total research management organization whose strength is in the design and management of clinical trials in the drug and device development process and with associated cost containment and quality of care components. CRA specializes in cost effectiveness and outcomes studies within major customer groups such as managed care organizations, insurers and employers. CRA has been able to successfully deliver customized high quality solutions to its Fortune 500 and other

clients.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all of its wholly owned subsidiaries. Intercompany transactions and balances have been eliminated in consolidation.

Cash Equivalents

For the purposes of the statement of cash flows, cash equivalents include investments with maturities of three months or less.

Inventories

Inventories are recorded at the lower of cost, determined using the first-in/first-out method, or market.

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FUTURE MEDICAL TECHNOLOGIES INTERNATIONAL, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Equipment, Furniture and Fixtures

The Company records equipment, furniture and fixtures at cost. Depreciation is provided using straight line and accelerated methods over the useful lives of the assets, which range from two to seven years.

Revenue Recognition

The Company recognizes revenue using the accrual method of accounting whereby it records revenue at the time a sale has been made and the product shipped or services performed. In addition, long term contract revenues are recognized under the percentage-of-completion method based on the ratio of costs incurred to date on the contract to total estimated contract costs after providing for all known or anticipated losses. Costs include direct and subcontract labor and applicable overhead expenses. Cost estimates are reviewed periodically as the work progresses and adjustments to revenue are reflected in the period in which revisions to such estimates are deemed appropriate. All anticipated losses are recognized immediately. Costs and estimated earnings in excess of billings on uncompleted contracts, as reflected in the balance sheet, comprise amounts of revenue recognized on contracts for which billings have not been rendered. Billings in excess of cost and estimated earnings on uncompleted

contracts comprise amounts of billings recognized on contracts for which costs have not been incurred.

Basis of Presentation

The financial statements for the three months ended March 31, 1996 have been prepared without audit and, in the opinion of management, reflect all adjustments necessary (consisting only of normal recurring adjustments) to present fairly the Company's financial position at March 31, 1996 and the results of its operations and its cash flows for the interim and cumulative periods presented. Such financial statements do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the financial statements and footnotes thereto included in the Company's annual report on Form 10-KSB for the year ended December 31, 1995.

Operating results for the three months ended March 31, 1996 are not necessarily indicative of the results for the year ending December 31, 1996.

2. Common Stock

Shares of common stock issued for consulting services have been valued at various prices depending on the date of issuance. Consultants have been issued shares approximately equivalent to the fair value of the services received in exchange.

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On February 22, 1995 in accordance with the acquisition agreement with CRA, a 5 for 7 reverse split occurred.

3. Proforma Information

On February 22, 1995, FMTI completed the acquisition of 100% of the stock of CRA. Below is proforma information for the three months ended March 31, 1995:

<TABLE>

<CAPTION>

<S>	<C>
Revenue	\$ 1,741,992
Net Loss	\$ (228,376)
Net Loss Per Share	\$ (.03)

</TABLE>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Three Month Period Ended March 31, 1996 Compared To The Three Month Period Ended March 31, 1995.

During the three month period ended March 31, 1996, revenues were \$1,771,633 compared to revenues of \$245,746 for the three months ended March 31, 1995. Revenues to date have been derived primarily from CRA contracted clinical research. The increase in revenues is a result of significant new contracts obtained by CRA.

The cost of revenue during the three month period ended March 31, 1996 was \$1,018,369 compared to \$107,534 for the three month period ended March 1995. The increase of cost was due to the increase of producing such revenue primarily from CRA.

All other costs incurred during the three month period ended March 31, 1996, including selling, general and administrative expenses and research and development, were \$698,642. By comparison, those same costs incurred during the three month period ended March 31, 1995 were \$240,120. The increase in operating expenses is primarily a result of CRA increased activity and ongoing research and development of voice recognition software.

The net income realized by the Company during the three month period ended March 31, 1996 was \$115,060. The net loss realized in the three months period ended March 31, 1995 was \$93,216. The increase in income was due to the above factors.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash balance at March 31, 1996 was \$1,408,454 compared to \$1,160,735 at March 31, 1995. The Company has financed its operations primarily through sales of its stock and experienced net income for the quarter ended March 31, 1996.

Accounts receivable increased to \$732,686 at March 31, 1996 compared to \$98,394 at March 31, 1995. The increase is attributable to several significant new contracts obtained by CRA in 1996.

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The Company purchased \$288,910 in fixed assets, primarily equipment, from March 31, 1995 to 1996, mainly to support increased CRA activity.

Working capital remained relatively constant from March 31, 1995, at \$513,457, to March 31, 1996, at \$543,549. At March 31, 1996 current liabilities included approximately \$2,970,308 of contract billings which had been received by the Company. These contracts billings relate to long

term contracts which are being recognized under the percentage of completion method and will be recorded as contract revenue as work progresses on the individual contracts. Therefore, the Company believes that it has a strong position at this time. The Company is currently exploring several alternatives to raise additional capital, if necessary, for NASDAQ qualification.

FUTURE MEDICAL TECHNOLOGIES INTERNATIONAL, INC. AND SUBSIDIARIES

PART II. OTHER INFORMATION

ITEM 1. Legal Proceeding:

None.

ITEM 2. Changes in Securities:

None.

ITEM 3. Defaults Upon Senior Securities:

None.

ITEM 4. Submission of Matters to a Vote of Security Holders:

None.

ITEM 5. Other Information:

None

ITEM 6. Exhibits and Reports on Form 8-K:

None

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FUTURE MEDICAL TECHNOLOGIES
INTERNATIONAL, INC.

Dated: May 9, 1996

By: /s/Bruce LaMont

Bruce LaMont, President
and Chief Financial Officer

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