

GLOBAL MED TECHNOLOGIES INC
Form 10QSB
July 27, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2007

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

Commission File Number 000-22083

GLOBAL MED TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

COLORADO

(State or other jurisdiction of
incorporation or organization)

84-1116894

(IRS Employer Identification No.)

12600 West Colfax, Suite C-420, Lakewood, Colorado 80215

(Address of principal executive offices)

(303) 238-2000

(Issuer's telephone number)

Not Applicable

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

Check mark whether the Issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange 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 No

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

As of July 25, 2007, 25,593,815 shares of the issuer's Common Stock were outstanding.

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Transitional small Business Disclosure Format
(Check One): Yes No

GLOBAL MED TECHNOLOGIES, INC.
FORM 10-QSB
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2007
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PART I FINANCIAL INFORMATION

ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

<u>ASSETS</u>	June 30, 2007	December 31, 2006
	(Unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 5,133	\$ 2,554
Accounts receivable-trade, net	2,061	3,181
Accrued revenues, net	402	130
Prepaid expenses and other assets	341	254
Deposit in escrow	-	1,004
Total current assets	7,937	7,123
Equipment, furniture and fixtures, net	279	269
Total assets	\$ 8,216	\$ 7,392

See accompanying notes to unaudited condensed consolidated financial statements.

GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)
(In thousands)

	June 30, 2007 (Unaudited)	December 31, 2006
LIABILITIES AND STOCKHOLDERS' EQUITY		
<u>EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 455	\$ 261
Accrued expenses and other current liabilities	1,952	1,800
Deferred revenue	3,483	3,854
Litigation accrual	1,004	1,004
Capital lease obligation and note payable, current portions	34	32
Total current liabilities	6,928	6,951
Capital lease obligation and note payable, less current portions	44	62
Total liabilities	6,972	7,013
COMMITMENT AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Convertible Preferred Stock Series A, \$.01 par value:		
Authorized shares 100, 9 and 10 outstanding at June 30, 2007 and December 31, 2006, respectively	8,715	9,975
Convertible Preferred Stock Series BB, \$.01 par value:		
Authorized shares 675; none outstanding	---	---
Preferred stock, \$.01 par value:		
Authorized shares - 5,725;		
None issued or outstanding	---	---
Common stock, \$.01 par value:		
Authorized shares 90,000; Issued and outstanding shares 24,973 and 23, 212 at June 30, 2007 and December 31, 2006, respectively	250	232
Additional paid-in capital	52,871	51,510
Accumulated deficit	(60,592)	(61,338)
Total stockholders' equity	1,244	379
Total liabilities and stockholders' equity	\$ 8,216	\$ 7,392

See accompanying notes to unaudited condensed consolidated financial statements.

GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share information)

	Three months ended June 30,	
	2007 (Unaudited)	2006 (Unaudited)
Revenues	\$ 3,969	\$ 3,014
Cost of revenues	1,255	1,029
Gross profit	2,714	1,985
OPERATING EXPENSES:		
General and administrative	734	615
Sales and marketing	757	494
Research and development	834	648
Depreciation and software amortization	43	47
Total operating expenses	2,368	1,804
Income from operations	346	181
OTHER INCOME (EXPENSE):		
Interest income	109	---
Interest expense	(3)	(3)
Total other income (expense)	106	(3)
Income before income tax benefit	452	178
Income tax benefit	7	---
Net income	\$ 459	\$ 178
Basic and Diluted net income per common share		
Basic	\$ 0.02	\$ 0.01
Diluted	\$ 0.01	\$ 0.00
Weighted average number of common shares outstanding		
Basic	23,294	23,212
Diluted	40,138	39,260

See accompanying notes to unaudited condensed consolidated financial statements.

GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share information)

**Six months ended
June 30,**

**2007
(Unaudited)**

**2006
(Unaudited)**

Revenues	\$ 7,688	\$ 5,830
Cost of revenues	2,394	2,048
Gross profit	5,294	3,782
OPERATING EXPENSES:		
General and administrative	1,540	1,252
Sales and marketing	1,273	989
Research and development	1,758	1,212
Depreciation and software amortization	81	90
Total operating expenses	4,652	3,543
Income from operations	642	239
OTHER INCOME (EXPENSE):		
Interest income	125	---
Change in estimated fair value of derivative instrument	---	724
Interest expense	(6)	(6)
Total other income	119	718
Income before provision for income tax	761	957
Provision for income tax expense	(15)	---
Net income	746	957
Basic and diluted net income per common share		
Basic	\$ 0.03	\$ 0.04
Diluted	\$ 0.02	\$ 0.02
Weighted average number of common shares outstanding:		
Basic	23,253	23,122
Diluted	39,349	40,531

See accompanying notes to unaudited condensed consolidated financial statements.

GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OF STOCKHOLDERS' EQUITY
(In thousands)

	Preferred Stock		Common Stock		Additional	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	
Balances, December 31,							
2006	10	\$ 9,975	23,212	\$ 232	\$ 51,510	\$ (61,338)	\$ 379
Expense associated with issuance of options for services to employees or consultants, (unaudited)	---	---	---	---	112	---	112
Option exercise	---	---	11	---	7	---	7
Conversion of Series A Preferred Stock to common shares	(1)	(1,260)	1,750	18	1,242	---	---
Net income (unaudited)	---	---	---	---	---	746	746
Balances, June 30, 2007							
(unaudited)	9	\$ 8,715	24,973	\$ 250	\$ 52,871	\$ (60,592)	\$ 1,244

See accompanying notes to the unaudited condensed consolidated financial statements.

GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Six months ended June 30,	
	2007 (Unaudited)	2006 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 746	\$ 957
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of software development costs	81	90
Bad debt expense	65	15
Common stock, options and warrants issued for services and other, net	112	122
Change in estimated fair value of derivative instruments	---	(724)
Changes in operating assets and liabilities:		
Accounts receivable-trade, net	1,077	(267)
Accrued revenues, net	(294)	154
Prepaid expenses and other assets	(87)	(34)
Escrow deposit	1,004	---
Accounts payable	194	(12)
Accrued expenses and other current liabilities	152	(51)
Deferred revenue	(371)	263
Net cash provided by operating activities	2,679	513
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment, furniture and fixtures	(91)	(120)
Net cash used in investing activities	(91)	(120)

See accompanying notes to the unaudited condensed consolidated financial statements.

GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(CONTINUED)
(In thousands)

	Six months ended	
	June 30,	
	2007	2006
	(Unaudited)	(Unaudited)
CASH FLOWS FROM FINANCING		
ACTIVITIES:		
Exercise of options for cash	\$ 7	\$ 163
Costs associated with preferred stock		
issuance and the related		
registration statement	---	