

IR BIOSCIENCES HOLDINGS INC  
Form 10-Q  
November 13, 2008

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 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 September 30, 2008

or

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: 033-05384

IR BIOSCIENCES HOLDINGS, INC.  
(Exact name of Registrant as specified in its charter)

DELAWARE  
(State or Other Jurisdiction of Incorporation  
or Organization)

13-3301899  
(I.R.S. Employer Identification No.)

8767 E. Via De Ventura, Suite 190,  
Scottsdale, AZ  
(Address of Principal Executive Offices)

85258  
(Zip Code)

Registrant's telephone number, including area code: (480) 922-3926

\_\_\_\_\_  
N/A  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether 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 twelve 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 is a large accelerated filer, an accelerated filer, a non-accelerated filer,

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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. (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) 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  No

The number of shares outstanding of Registrant's common stock as of October 31, 2008 was 12,264,191.

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IR BIOSCIENCES HOLDINGS, INC. AND SUBSIDIARY

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## ITEM 1. FINANCIAL INFORMATION

IR BioSciences Holdings, Inc. and Subsidiary  
(A Development Stage Company)  
Condensed Consolidated Balance Sheets as of September 30, 2008 (unaudited)  
And December 31, 2007

	September 30, 2008 (unaudited)	December 31, 2007
Assets		
Current assets		
Cash and cash equivalents	\$ 4,301,113	\$ 221,120
Cash – Restricted	171,875	-
Prepaid services and other current assets (Note 1)	18,241	84,691
Salary advance (Note 1)	606	2,025
<b>Total current assets</b>	<b>4,491,835</b>	<b>307,836</b>
Deposits and other assets (Note 1)	132,648	7,128
Furniture and equipment, net of accumulated depreciation of \$39,385 and \$27,158 (Note 2)	41,091	38,271
<b>Total assets</b>	<b>\$ 4,665,574</b>	<b>\$ 353,235</b>
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 655,232	\$ 932,609
<b>Total current liabilities</b>	<b>655,232</b>	<b>932,609</b>
Notes payable, net of discount of \$1,454,449 (Note 5)	6,614,440	-
<b>Total liabilities</b>	<b>7,269,672</b>	<b>932,609</b>
Commitments and Contingencies	-	-
Stockholders' Deficit		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$0.001 par value; 100,000,000 shares authorized; 12,264,191 shares (post reverse split) and 11,432,254 shares (post reverse split) issued and outstanding at September 30, 2008 and December 31, 2007 respectively	12,265	11,432
Common stock subscribed (Note 6)	250,000	153,000

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Additional paid-in capital	20,012,432	18,005,332
Deficit accumulated during the development stage	(22,878,795)	(18,749,138)
Total stockholders' deficit	(2,604,098)	(579,374)
Total liabilities and stockholders' deficit	\$ 4,665,574	\$ 353,235

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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IR BioSciences Holdings, Inc. and Subsidiary  
(A Development Stage Company)  
Condensed Consolidated Statements of Losses  
for the three and nine months ended September 30, 2008 and 2007,  
and for the period of inception (October 30, 2002) to September 30, 2008  
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Period October 30, 2002 to September 30, 2008
	2008	2007	2008	2007	
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses:					
Selling, general and administrative expenses	1,776,708	2,447,782	3,671,252	4,463,800	19,757,193
Merger fees and costs	-	-	-	-	350,000
Financing cost	31,250	-	148,125	-	238,125
Impairment of intangible asset costs	-	-	-	-	6,393
Total operating expenses	1,807,958	2,447,782	3,819,377	4,463,800	20,351,711
Operating loss	(1,807,958)	(2,447,782)	(3,819,377)	(4,463,800)	(20,351,711)
Other expense:					
Cost of penalty for late registration of shares	-	-	-	-	2,192,160
(Gain) loss from marking to market - warrant portion of penalty for late registration of shares	-	-	-	-	(378,198)
(Gain) loss from marketing to market - stock portion of penalty for late registration of shares	-	-	-	-	(760,058)
Interest (income) expense, net	205,805	(10,221)	310,280	(57,899)	1,462,636
Total other (income) expense	205,805	(10,221)	310,280	(57,899)	2,516,540
Income (loss) before income taxes	(2,013,763)	(2,437,561)	(4,129,657)	(4,405,901)	(22,868,251)

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Provision for income taxes	-	(1,214)	-	(9,329)	(10,544)
Net (loss)	\$ (2,013,763)	\$ (2,438,775)	\$ (4,129,657)	\$ (4,415,230)	\$ (22,878,795)
Net (loss) per share - basic and diluted	\$ (0.17)	\$ (0.21)	\$ (0.35)	\$ (0.39)	\$ (3.40)
Weighted average shares outstanding (post reverse split) - basic and diluted	11,935,282	11,432,254	11,675,701	11,418,804	6,729,842

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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IR BioSciences Holding, Inc. and Subsidiary  
(A Development Stage Company)  
Condensed Consolidated Statement of Stockholders' Equity (Deficit)  
From Date of Inception (October 30, 2002) to September 30, 2008  
(Unaudited)

	Common Stock		Paid-In	Additional	Stock	Common	
	Shares	Amount	Capital	Deferred	Subscribed	Accumulated	Total
				Compensation		Deficit	
Balance at October 30, 2002 (date of inception)	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shares of common stock issued at \$0.006 per share to founders for license of proprietary right in December 2002	1,661,228	1,661	7,589	-	-	-	9,250