

Pharma-Bio Serv, Inc.  
Form 10-Q  
June 14, 2016

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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 April 30, 2016

- 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) (Zip Code)

00646

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.

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Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The number of shares of the registrant's common stock outstanding as of June 10, 2016 was 23,015,920.

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PHARMA-BIO SERV, INC.  
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FOR THE QUARTER ENDED APRIL 30, 2016

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## PART I – FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

PHARMA-BIO SERV, INC.  
Condensed Consolidated Balance Sheets  
(Unaudited)

	April 30, 2016*	October 31, 2015**
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$14,427,747	\$14,893,387
Marketable securities	22,325	33,429
Accounts receivable	7,704,986	7,447,984
Other	702,797	891,905
Total current assets	22,857,855	23,266,705
Property and equipment	1,322,388	853,945
Other assets	32,898	18,256
Total assets	\$24,213,141	\$24,138,906
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion-obligations under capital leases	\$23,495	\$22,784
Accounts payable and accrued expenses	1,681,928	2,061,889
Income taxes payable	47,142	39,177
Total current liabilities	1,752,565	2,123,850
Obligations under capital leases	40,027	51,952
Total liabilities	1,792,592	2,175,802
Stockholders' equity:		
Preferred Stock, \$0.0001 par value; authorized 10,000,000 shares; none outstanding	-	-
Common Stock, \$0.0001 par value; authorized 50,000,000 shares; 23,224,622 and 23,185,975 shares issued, and 23,017,570 and 23,020,451 shares outstanding, at April 30, 2016 and October 31, 2015, respectively	2,322	2,319
Additional paid-in capital	1,186,655	1,142,555
Retained earnings	21,618,839	21,231,629
Accumulated other comprehensive loss	(163,189 )	(226,580 )
	22,644,627	22,149,923
Treasury stock, at cost; 207,052 and 165,524 common shares held at April 30, 2016 and October 31, 2015, respectively	(224,078 )	(186,819 )
Total stockholders' equity	22,420,549	21,963,104
Total liabilities and stockholders' equity	\$24,213,141	\$24,138,906

\* Unaudited.

\*\* Condensed from audited financial statements.

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See notes to the condensed consolidated financial statements.

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PHARMA-BIO SERV, INC.  
Condensed Consolidated Statements of Income  
(Unaudited)

	Three months ended April		Six months ended April 30,	
	2016	2015	2016	2015
REVENUES	\$5,129,803	\$5,442,680	\$10,030,258	\$11,324,854
COST OF SERVICES	3,605,646	3,756,649	6,747,710	7,933,511
GROSS PROFIT	1,524,157	1,686,031	3,282,548	3,391,343
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,429,520	1,294,039	2,803,763	2,670,907
INCOME FROM OPERATIONS	94,637	391,992	478,785	720,436
OTHER-THAN-TEMPORARY IMPAIRMENT ON AVAILABLE-FOR-SALE SECURITIES	(55,000 )	-	(55,000 )	-