

Cyclacel Pharmaceuticals, Inc.  
Form 10-Q  
May 16, 2006  
Table of Contents

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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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 March 31, 2006

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 0-50626

CYCLACEL PHARMACEUTICALS, INC.

(Exact name of Registrant as Specified in Its Charter)

DELAWARE  
(State or Other Jurisdiction  
of Incorporation or Organization)  
150 JOHN F. KENNEDY PARKWAY, SHORT HILLS,  
NJ  
(Address of principal executive offices)

91-1707622  
(I.R.S. Employer  
Identification No.)  
07078  
(Zip Code)

Registrant's telephone number, including area code: (973) 847-5955

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 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 or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" as defined in Rule 12b-2 of the Exchange Act (Check one):

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Large accelerated filer                      Accelerated filer                      Non-accelerated filer

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

As of May 12, 2006 there were 16,157,953 shares of the registrant's common stock outstanding.

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Table of Contents

CYCLACEL PHARMACEUTICALS, INC.

INDEX

	Page
PART I	FINANCIAL INFORMATION
Item 1.	Financial Statements
	Condensed Consolidated Balance Sheets as of March 31, 2006 (unaudited) and December 31, 2005
	3
	Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the three months ended March 31, 2006 and 2005 (unaudited) and the period from August 13, 1996 (inception) to March 31, 2006 (unaudited)
	4
	Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2006 and 2005 (unaudited) and the period from August 13, 1996 (inception) to March 31, 2006 (unaudited)
	5
	Notes to Condensed Consolidated Condensed Financial Statements (unaudited)
	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations
	19
Item 3.	Quantitative and Qualitative Disclosures about Market Risk
	25
Item 4.	Controls and Procedures
	25
PART II	OTHER INFORMATION
Item 1A.	Risk Factors
	27
Item 4.	Submission of Matters to a Vote of Security Holders
	40
Item 6.	Exhibits
	41
Signature	42

## PART I. FINANCIAL INFORMATION

CYCLACEL PHARMACEUTICALS, INC.  
(A Development Stage Company)  
CONDENSED CONSOLIDATED BALANCE SHEETS

	As of March 31, 2006 (Unaudited) \$000	As of December 31, 2005 (Note 1) \$000
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	23,707	3,117
Short-term investments	6,918	10,690
Prepaid expenses and other current assets	3,378	3,219
Total current assets	34,003	17,026
Property, plant and equipment (net)	1,950	2,045
Deposits and other assets	259	—
Goodwill	1,924	—
Total assets	38,136	19,071
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Current liabilities:		
Accounts payable	3,152	2,159
Amounts due to Cyclacel Group plc	1,156	10,467
Accrued liabilities	2,575	1,869
Other current liabilities	992	128
Derivative liability	1,842	—
Current portion of other accrued restructuring charges	982	—
Current portion of equipment financing	252	251
Total current liabilities	10,951	14,874
Other accrued restructuring charges, net of current	1,749	—
Equipment financing, net of current	16	78
Other liabilities	28	—
Total liabilities	12,744	14,952
Commitments and contingencies		
Stockholders' equity:		
Preferred Ordinary shares, 0.1p par value; 21,000,000 shares authorized; Nil and 17,965,835 shares issued and outstanding in 2006 and 2005, respectively. Aggregate liquidation preference of \$Nil and \$210,954,000 (\$11.74 per share) at March 31, 2006 and December 31, 2005, respectively	—	30
Ordinary shares, 0.1p par value; 5,748,428 shares authorized; Nil and 1,871,210 shares issued and outstanding in 2006 and 2005, respectively	—	2
Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 2,046,813 and Nil shares issued and outstanding in 2006 and 2005. Aggregate preference in liquidation — \$20,673,000 at March 31, 2006	2	—

Common stock, \$0.001 par value; 100,000,000 shares  
authorized; 9,729,419 and Nil shares issued and outstanding in  
2006 and 2005, respectively