

TAURIGA SCIENCES, INC.  
Form 10-Q  
November 19, 2014

**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, 2014**

**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 000-53723**

**TAURIGA SCIENCES, INC.**

(Exact name of registrant as specified in its charter)

**Florida**                              **30-0791746**  
(State or other jurisdiction    (I.R.S. Employer  
of Identification No.)            or organization)

**39 Old Ridgebury Road**

**Danbury, CT 06180**

(Address of principal executive offices) (Zip Code)

**(858) 353-5749**

(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act:

**None**

Securities registered under Section 12(g) of the Exchange Act:

**Common Stock, \$.00001 Par Value**

(Title of class)

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  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company filer. See definition of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer  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

As of November 17, 2014 the registrant had 836,873,728 shares of its Common Stock, \$0.00001 par value, outstanding.

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**PART I - FINANCIAL INFORMATION****ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS**

## TAURIGA SCIENCES, INC. AND SUBSIDIARY

(Formerly Immunovative, Inc. and Subsidiary)

(A DEVELOPMENT STAGE COMPANY)

## CONSOLIDATED BALANCE SHEETS

	September 30, 2014 (Unaudited)	March 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash	\$404,638	\$812,907
Inventory	2,012	-
Investment - available for sale security	7,813	62,500
Prepaid expenses	19,763	22,554
Total current assets	434,226	897,961
Equipment, net	30,208	24,616
Other assets:		
Intangible assets, net of amortization	1,737,038	1,791,460
Note receivable	170,000	-
Deferred financing fees	-	34,014
Deferred acquisition costs	-	395,823
Total assets	\$2,371,472	\$3,143,874
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Notes payable to individuals	\$48,775	\$56,425
Convertible notes to financial institutions	39,974	263,917
Accounts payable	269,415	294,855
Accrued interest	15,328	26,107
Accrued expenses	239,433	289,930
Accrued professional fees	482,237	372,939
Derivative liability	59,991	1,581,119
Total current liabilities	1,155,153	2,885,292

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Commitments and contingencies	-	-
Stockholders' equity:		
Common stock, par value \$0.00001; 1,000,000,000 shares authorized, 801,208,016 and 647,826,316 issued and outstanding at September 30, 2014 and March 31, 2014, respectively	8,012	6,478
Additional paid-in capital	46,808,025	42,400,884
Accumulated deficit from prior operations	(16,244,237)	(16,244,237)
Accumulated deficit during development stage	(29,118,319)	(25,723,164)
Accumulated other comprehensive loss	(237,162 )	(181,379 )
Total stockholders' equity	1,216,319	258,582
Total liabilities and stockholders' equity	\$2,371,472	\$3,143,874

*See accompanying notes to consolidated financial statements.*

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## TAURIGA SCIENCES, INC. AND SUBSIDIARY

(Formerly Immunovative, Inc. and Subsidiary)

(A DEVELOPMENT STAGE COMPANY)

## CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited)

	For the Three Months ended September 30,		For the Six Months Ended September 30,		Period from December 12, 2011 (Inception of Development) to September 30, 2014
	2014	2013 (Restated)	2014	2013 (Restated)	
Revenues	\$ 10,831	\$-	\$ 10,831	\$-	\$ 10,831
Cost of goods sold	3,018	-	3,018	-	3,018
Gross profit	7,813	-	7,813	-	7,813
Operating expenses					
General and administrative	1,512,151	1,255,029	2,847,292	3,298,742	21,131,114
Impairment of advances to Immunovative Therapies, Ltd. for future stock ownership	-	-	-	-	3,533,214
Impairment of license agreements	-	-	-	-	1,355,988
Depreciation and amortization expense	30,197	11,664	59,929	16,007	217,820
Total operating expenses	1,542,348	1,266,693	2,907,221	3,314,749	26,238,136
Loss from operations	(1,534,535 )	(1,266,693 )	(2,899,408 )	(3,314,749 )	(26,230,323 )
Other income (expense)					
Interest expense	(31,481 )	(161,830 )	(126,682 )	(189,127 )	(715,663 )
Change in derivative liability	587	53,111	343,230	57,427	(1,066,647 )
Financing expense	-	-	(458,177 )	-	(458,177 )
Costs of terminated acquisition	(254,118 )	-	(254,118 )	-	(254,118 )
Gain on settlement of law suit	-	-	-	-	20,000
Amortization of debt discount	-	-	-	(68,575 )	(92,391 )
Loss on conversion of debt	-	-	-	(321,000 )	(321,000 )
Total other income (expense)	(285,012 )	(108,719 )	(495,747 )	(521,275 )	(2,887,996 )
Net loss	(1,819,547 )	(1,375,412 )	(3,395,155 )	(3,836,024 )	(29,118,319 )



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Other comprehensive income (loss)										
Change in unrealized loss on available for sale security, net of tax effect of zero	(30,938	)	(122,500	)	(54,688	)	(122,500	)	(242,188	)
Translation adjustment	1,370		(2,914	)	(1,095	)	1,526		6,287	
Total other comprehensive income(loss)	(29,568	)	(125,414	)	(55,783	)	(120,974	)	(235,901	)
Comprehensive loss	\$ (1,849,115 ) \$ (1,500,826 ) \$ (3,450,938 ) \$ (3,956,998 ) \$ (29,354,220)									
Net loss per share (basic and diluted)	\$ (0.00 ) \$ (0.01 ) \$ (0.00 ) \$ (0.02 )									
Weighted average common shares outstanding Basic and diluted	757,008,430 277,262,355 724,800,071 258,545,255									

*See accompanying notes to consolidated financial statements.*

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## TAURIGA SCIENCES, INC. AND SUBSIDIARY

(Formerly Immunovative, Inc. and Subsidiary)

(A DEVELOPMENT STAGE COMPANY)

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	For the Six Months Ended		Period from
	September 30,	September 30,	December 12, 2011
	2014	2013	(Inception of
		(Restated)	Development)
			to September 30,
			2014
Cash flows from operating activities			
Net loss	\$ (3,395,155)	\$ (3,836,024)	\$ (29,118,319 )
Adjustments to reconcile net loss to cash provided by (used in) operating activities:			
Stock-based compensation	1,771,934	2,300,606	14,203,637
Shares issued in Settlement Agreement	-	-	153,000
Impairment of advances to Immunovative Therapies, Ltd., for future stock ownership	-	-	3,533,214
Impairment of license agreements	-	-	1,355,988
Note payable discount amortization	-	68,575	92,391
Depreciation and amortization	59,929	16,007	217,820
Loss on conversion of debt	-	321,000	321,000
Issuance of a warrant for financing expense	458,177	-	458,177
Amortization of deferred financing costs	34,014	-	158,000
Accretion on convertible notes payable	67,767	138,828	432,312
Change in derivative liability	(343,230 )	(57,427 )	1,066,647
Costs of terminated acquisition	254,118	-	254,118
Decrease (increase) in assets			-
Inventory	(2,012 )	-	(2,012 )
Other receivables	-	7,206	-
Prepaid expenses	(19,763 )	19,534	(559 )
Increase (decrease) in liabilities			-
Accounts payable	(25,440 )	(4,853 )	199,901
Accrued interest	8,914	46,145	65,655
Accrued expenses	(50,497 )	(789 )	181,973
Accrued professional fees	109,298	(79,439 )	151,837
Related party payables	-	-	(96,884 )
Cash used in operating activities	(1,071,946)	(1,060,631)	(6,372,104 )

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Cash flows from investing activities

Purchase of equipment	(11,099 )	(3,829 )	(40,053 )
Purchase of intangible assets	-	(143,750 )	(301,643 )
Deferred acquisition costs	(28,295 )	-	(424,118 )