

BRENDAN TECHNOLOGIES INC
Form 10QSB
February 14, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

Quarterly Report Under Section 13 Or 15(d) Of The Securities Exchange Act Of 1934

For quarterly period ended **December 31, 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 0-17493

BRENDAN TECHNOLOGIES, INC.

(Exact name of small business issuer as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation or
organization)

88-0237223

(I.R.S. Employer Identification No.)

2236 Rutherford Road, Suite 107

Carlsbad, California 92008

(Address of principal executive offices)

Issuer's telephone number **(760) 929-7500**

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 x No o**

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Common Stock, \$.004995 par value	25,550,594
-----------------------------------	------------

(Class)	Outstanding at February 14, 2008
---------	----------------------------------

Transitional Small Business Disclosure Format (Check one): Yes **No x**

Brendan Technologies, Inc.
INDEX

		Page
PART I. FINANCIAL INFORMATION		
Item 1.	Financial Statements:	
	Condensed consolidated Balance Sheets as of December 31, 2007 (unaudited) and June 30, 2007	3
	Condensed consolidated Statements of Operations for the three and six months ended December 31, 2007 and 2006(unaudited)	4
	Condensed consolidated Statements of Cash Flows for the six months ended December 31, 2007 and 2006 (unaudited)	5
	Notes to Condensed Unaudited Consolidated Financial Statements	6
Item 2.	Management's Discussion and Analysis or Plan of Operation	12
Item 3.	Controls and Procedures	16
PART II. OTHER INFORMATION		
Item 1.	Legal Proceedings	*
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	*
Item 3.	Defaults upon Senior Securities	*
Item 4.	Submission of Matters to a Vote of Security Holders	*
Item 5.	Other Information	*
Item 6.	Exhibits	17
SIGNATURES		17

* No information provided due to inapplicability of the item.

PART I – FINANCIAL INFORMATION**Item 1. Financial Statements**

Brendan Technologies, Inc.
Condensed Consolidated Balance Sheets

	December 31, 2007 (Unaudited)	June 30, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 32,353	\$ 85,016
Accounts receivable, net	118,068	75,283
Prepaid expenses	109,537	89,919
Total current assets	259,958	250,218
Property and equipment, net	130,062	157,356
Other assets	19,585	27,951
	\$ 409,605	\$ 435,525
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Notes payable in default	\$ 130,000	\$ 130,000
Accrued interest in default	104,398	95,382
Note payable	-	100,000
Secured bridge loan payable	600,000	-
Accounts payable	61,366	12,916
Accrued wages and vacation	850,272	842,525
Accrued interest	599,980	527,434
Deferred revenue	114,067	98,394
Current portion of lease obligations	5,765	7,388
Current portion 8% convertible debentures net of debt discount	1,082,374	24,010
Current portion 8% convertible debentures net of debt discount-related parties	129,929	91,812
Total current liabilities	3,678,151	1,929,861
Long term portion of lease obligations	1,529	3,607
8% Convertible debentures net of debt discount	428,879	1,343,868
8% Convertible debentures net of debt discount - related parties	7,881	34,154
Total liabilities	4,116,440	3,311,490
Stockholders' deficit		
Preferred stock, \$.004995 par value; 5,000,000 shares authorized: none outstanding	-	-
Common stock, \$.004995 par value; 50,000,000 shares authorized: xx,xxx,xxx and 23,705,594 issued and outstanding at December 31, 2007 and June 30, 2007	127,625	118,409
Additional paid in capital	5,930,858	5,358,033
Accumulated deficit	(9,765,318)	(8,352,407)

Total stockholders' deficit	(3,706,835)	(2,875,965)
	\$ 409,605	\$ 435,525

See accompanying summary of accounting policies and notes to unaudited condensed consolidated financial statements.

3

Brendan Technologies, Inc.
Condensed Consolidated Statements of Operation
(Unaudited)

	Three Months Ended		Six Months Ended	
	December 31 2007	December 31, 2006	December 31 2007	December 31, 2006
Revenue	\$ 206,981	\$ 135,253	\$ 366,807	\$ 222,648
Selling expenses	35,734	24,756	78,422	47,961
Research and development	126,961	115,309	245,729	198,444
General and administrative expenses	477,841	449,916	945,096	767,840
	640,536	589,981	1,269,247	1,014,245
Loss from operations				