

THEGLOBE COM INC
Form 10-Q
August 11, 2006

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 June 30, 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 NO. 0-25053

THEGLOBE.COM, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

STATE OF DELAWARE
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

14-1782422
(I.R.S. EMPLOYER
IDENTIFICATION NO.)

110 EAST BROWARD BOULEVARD, SUITE 1400
FORT LAUDERDALE, FL. 33301
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(954) 769 - 5900
(Registrant's telephone number, including area code)

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" in Rule 12b-2 of the Exchange Act (Check one):

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 x

The number of shares outstanding of the Registrant's Common Stock, \$.001 par value (the "Common Stock") as of August 2, 2006 was 174,722,565.

THEGLOBE.COM, INC.
FORM 10-Q

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PART I - FINANCIAL INFORMATION**ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****THEGLOBE.COM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS**

	JUNE 30, 2006 (UNAUDITED)	DECEMBER 31, 2005
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 9,534,031	\$ 16,480,660
Restricted cash	250,000	1,031,764
Accounts receivable, less allowance for doubtful accounts of approximately \$38,000 and \$128,000, respectively	324,529	452,398
Inventory, less reserves of approximately \$403,000 and \$434,000, respectively	54,704	66,271
Prepaid expenses	353,754	1,022,771
Other current assets	78,090	146,889
Total current assets	10,595,108	19,200,753
Property and equipment, net	662,382	1,455,653
Intangible assets	605,848	715,035
Other assets	40,000	40,000
Total assets	\$ 11,903,338	\$ 21,411,441
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 2,277,385	\$ 2,564,988
Accrued expenses and other current liabilities	1,945,890	2,177,815
Income taxes payable	—	806,406
Deferred revenue	814,784	985,981
Notes payable and current portion of long-term debt	3,407,023	3,428,447
Total current liabilities	8,445,082	9,963,637
Long-term liabilities	208,233	173,003
Total liabilities	8,653,315	10,136,640
Stockholders' Equity:		
Common stock, \$0.001 par value; 500,000,000 shares authorized; 174,722,565 and 174,373,091 shares issued at June 30, 2006 and December 31, 2005, respectively	174,723	174,373
Additional paid-in capital	289,043,058	288,740,889
Escrow shares	(750,000)	(750,000)
Accumulated deficit	(285,217,758)	(276,890,461)
Total stockholders' equity	3,250,023	11,274,801
Total liabilities and stockholders' equity	\$ 11,903,338	\$ 21,411,441

See notes to unaudited condensed consolidated financial statements.

THEGLOBE.COM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	(UNAUDITED)			
Net Revenue	\$ 829,773	\$ 631,676	\$ 1,530,930	\$ 1,280,160
Operating Expenses:				
Cost of revenue	1,396,807	2,182,189	3,061,287	4,165,571
Sales and marketing	501,517	459,210	1,436,545	1,240,485
Product development	385,141	328,416	758,882	654,257
General and administrative	2,003,572	1,779,530	4,092,349	3,412,777
Depreciation	238,545	297,240	543,670	