ADM TRONICS UNLIMITED INC/DE
Form 10QSB
August 22, 2005

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2005

OR

[ ] TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to _______

Commission File No. 0-17629

ADM TRONICS UNLIMITED, INC.
(Name of Small Business Issuer in its Charter)

Delaware	22-1896032
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

224 Pegasus Ave., Northvale, New Jersey 07647
(Address of Principal Executive Offices)

Issuer's Telephone Number, including area code: (201) 767-6040

Check whether the Issuer (1) has 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 Issuer was required to file such reports), And (2) has been subject to the filing requirements for the past 90 days:

YES X NO ______

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

53,882,037 shares of Common Stock, $.0005 par value,
as of August 22, 2005

ADM TRONICS UNLIMITED, INC.

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ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2005 (Unaudited)	March 31, 2005
ASSETS		
Current assets:		

Cash and cash equivalents	$1,722,441	$3,011,631
Accounts receivable, net of allowance for doubtful accounts of $132,827 and $72,593, respectively	92,679	102,691
Inventories:		
Raw materials and supplies	170,031	124,393
Finished goods	183,805	204,074
Equipment held for sale	342,820	331,832
Prepaid expenses and other current assets	389,360	319,296
Total current assets	2,901,136	4,093,917
Property and equipment, net of accumulated depreciation of $275,483 and $271,188, respectively	53,319	40,550
Equipment in use and under rental agreements, net of accumulated depreciation of $862,497 and $832,059, respectively	21,353	51,791
Loan receivable, officer	49,188	49,188
Other assets	103,107	104,928
Deferred loan costs, net	581,446	570,498
Deferred consulting expense	93,245	105,880
Deferred offering costs	187,891	133,125
Total assets	$4,090,585	$5,250,877
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable-trade	$ 230,165	$ 172,978
Accrued expenses and other current liabilities	178,480	299,790
Interest payable	116,140	-
Total current liabilities	524,785	472,768
Convertible debentures payable, net of unamortized debt discount of $283,255 and $299,000, respectively	5,804,244	5,788,500
Warrants issued with registration rights	325,000	325,000
Total liabilities	5,554,029	5,585,258
Stockholders' deficit:		
Preferred stock, $.01 par value, 5,000,000 authorized, no shares issued and outstanding	-	-
Common stock, $.0005 par value, 150,000,000 authorized 53,882,037 issued and outstanding	26,941	26,941
Additional paid-in capital	7,022,397	7,003,968
Accumulated deficit	(9,612,682)	(8,366,300)
Total stockholders' deficit	(2,563,344)	(1,335,391)
Total liabilities and stockholders' deficit	$4,090,685	$5,250,877

See accompanying notes to consolidated financial statements.

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ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTH PERIOS ENDED JUNE 30, 2005 AND 2004
(Unaudited)

	THREE MONTHS ENDED June 30,	
	2005	2004

Revenues	$ 321,010	$ 385,297
Costs and expenses:		
Cost of revenue	133,262	169,579
Research and development	167,349	-
Interest and finance costs, net	95,340	(67)
Selling, general and administrative	1,171,441	191,807
Total operating expenses	1,567,392	361,319
Net (loss) income	($1,246,382)	$ 23,978
Net loss per share, basic and diluted	$ (0.02)	$ 0.00
Weighted average shares outstanding	53,882,037	51,882,037

See accompanying notes to consolidated financial statements.

ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTH PERIOS ENDED JUNE 30, 2005 AND 2004
(Unaudited)

	THREE MONTHS ENDED JUNE 30, 2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$(1,246,382)	23,978
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	36,533	33,309
Stock based compensation	6,185	-
Amortization of loan costs	54,976	-
Bad debts	55,490	-
Changes in operating assets and liabilities:		
(Increase) decrease in:		

Accounts receivable--trade	(45,478)	(45,667)
Inventories and equipment held for sale	(36,357)	62,513
Prepaid expenses	(70,064)	(6,059)
Deposits and other assets	-	1,311
Increase (decrease) in:		
Accounts payable and accrued expenses	27,716	(32,311)
Accrued expenses and other	-	(4,561)
Net cash (used) provided by operating activities	(1,217,381)	32,513
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(17,043)	-
Net cash used by investing activities	(17,043)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Deferred offering costs	(54,766)	(19,785)
Net cash provided by financing activities	(54,766)	(19,785)
Net increase in cash	(1,289,190)	12,728
Cash and cash equivalents, beginning of period	3,011,631	90,081
Cash and cash equivalents, end of period	1,722,441	102,808
Cash paid for:		
Interest	51,133	-
Income taxes paid	-	-

See accompanying notes to consolidated financial statements.

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ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts of ADM Tronics Unlimited, Inc. and its subsidiaries (collectively, the "Company"). These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the instructions to Form 10-QSB and do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for the interim periods have been included. Operating results for the three months ended June 30, 2005 are not necessarily indicative of the results that may be expected for the year ending March 31, 2006. The accompanying consolidated financial statements and the information included under the heading "Management's Discussion and

Analysis" should be read in conjunction with the Company's audited consolidated financial statements and related notes included in the Company's Form 10-KSB for the fiscal year ended March 31, 2005.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Loss Per Share

Basic and diluted loss per common share for all periods presented is computed based on the weighted average number of common shares outstanding during the periods presented as defined by SFAS No. 128, "Earnings Per Share". The assumed exercise of common stock equivalents was not utilized for the three month periods ended June 30, 2005 and 2004 since the effect would be anti-dilutive. There were 45,231,034 common stock equivalents at June 30, 2005 and none at June 30, 2004.

Stock Options and Warrants

The Company accounts for its stock-based employee compensation plans using the intrinsic value based method, under which compensation cost is measured as the excess of the stock's market price at the grant date over the amount an employee must pay to acquire the stock. Stock options and warrants issued to non-employees are accounted for using the fair value based method, under which the expense is measured as the fair value of the security at the

date of grant based on the Black-Scholes pricing model. A subsidiary of the Company had 766,200 and 714,500 employee stock options outstanding at June 30, 2005 and 2004, respectively.

Pro Forma Information

Employee and Director Common Share Purchase Options- Pro forma information regarding the effects on operations of employee and director common share purchase options as required by SFAS No. 123 and SFAS No. 148 has been determined as if the Company's subsidiary had accounted for those options under the fair value method. Pro forma information is computed using the Black Scholes method at the date of grant of the options based on the following assumptions ranges: (1) risk free interest rate of 3.62%; (2) dividend yield of 0%; (3) volatility factor of the expected market price of our common stock of 67%; and (4) an expected life of the options of 6 years. The foregoing option valuation model requires input of highly subjective assumptions. Because common share purchase options granted to employees and directors have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value of estimates, the existing model does not in the opinion of our management necessarily provide a reliable single measure of the fair value of common share purchase options we have granted to our employees and directors.

Pro forma information relating to employee and director common share purchase options is as follows:

	For the Three Months Ended June 30, 2005	For the Three Months Ended June 30, 2004
Net loss as reported	$(1,245,382)	$ 23,978
Current period expense calculated under APB 25	-	-
Stock compensation calculated under SFAS 123	(5,140)	(4,579)
Pro forma net loss	$(1,251,522)	$ 19,299
Basic and diluted historical loss per share	$ (0.02)	$ 0.00
Pro forma basic and diluted loss per share	$ (0.02)	$ 0.00

Recent Accounting Pronouncements

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS 154") which replaces Accounting Principles Board Opinions No. 20 "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements-An Amendment of APB Opinion No. 28." SFAS 154 provides guidance on the accounting for and reporting of accounting changes and error corrections. It establishes retrospective application, or the latest practicable date, as the required method for reporting a change in accounting principle and the reporting of a correction of an error. SFAS 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005 and is required to be adopted by the Company in the first quarter of fiscal 2007. The Company is currently evaluating the effect that the adoption of SFAS 154 will have on its consolidated results of operations and financial condition.

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In December 2004, the FASB issued SFAS No.123 (revised 2004), "Share-Based Payment". SFAS 123(R) will provide investors and other users of financial statements with more complete and neutral financial information by requiring that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. SFAS 123(R) covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. SFAS 123(R) replaces FASB Statement No. 123, "Accounting for Stock-Based Compensation", and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees". SFAS 123, as originally issued in 1995, established as preferable a fair-value-based method of accounting for share-based payment transactions with employees. However, that statement permitted entities the option of continuing to apply the guidance in Opinion 25, as long as the footnotes to financial statements disclosed what net income would have been had the preferable fair-value-based method been used. Public entities (other than those filing as small business issuers) would have been required to apply SFAS 123(R) as of the first interim or annual reporting period that begins after June 15, 2005. SFAS 123(R) would have been applicable for the Company effective the first interim period that starts after December 15, 2005. In April 2005, the Securities and Exchange Commission announced the adoption of a rule that defers the required effective date of SFAS 123(R) for registrants. SFAS 123(R) is now effective for all registrants as of the beginning of the first fiscal year beginning after June 15, 2005. SFAS 123(R), when effective, will supercede both SFAS 123 and SFAS 148. All public companies will transition to the new standard under the "modified prospective method", which means that the fair value of any stock options which vest after the effective date would be expensed and recorded in the statement of operations. Companies must use fair values reported on a pro forma basis in the notes to the financial statements previously filed. The Company has evaluated the impact of the adoption of SFAS 123(R), and believes that the impact may be significant to the company's future overall results of operations and financial position.

NOTE 2 GOING CONCERN

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying condensed consolidated financial statements, the Company has a net loss of $1,246,382 and a negative cash flow from operations of $1,217,381 for the three months ended June 30, 2005, and a stockholders' deficiency of $2,563,344 as of June 30, 2005. These factors raise substantial doubt about its ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company's ability to raise additional funds to finance its operations. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

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NOTE 3 SEGMENT INFORMATION

Segment information is as follows:

Three Months Ended June 30, 2005:	Chemical	Medical	Total
Revenues from external customers	280,506	40,504	321,010
Segment profit (loss)	30,095	(1,276,477)	(1,246,382)
Three Months Ended June 30, 2004:			
Revenues from external customers	239,957	145,340	385,297
Segment profit (loss)	34,113	(10,135)	23,978

NOTE 4 SUBSEQUENT EVENTS

On April 1, 2005, Ivivi Technologies, Inc. ("Ivivi"), a majority-owned subsidiary of the Company, entered into an agreement (the "Agreement") with Global Medical, L.L.C. ("Global") pursuant to which Global was to provide Ivivi with certain managerial services (the "Services") with respect to the medical devices and products manufactured, distributed, sold or rented by Ivivi (the "Ivivi Products"). The term of the Agreement was two years commencing on April 1, 2005 and was renewable for successive one-year terms if mutually agreed in writing by the parties.

After evaluation of the Agreement, Ivivi elected to terminate the Agreement. Accordingly, on July 22, 2005, Ivivi and Global entered into an agreement (the "Termination Agreement") pursuant to which the Agreement was terminated (the "Termination"). Pursuant to the terms of the Termination Agreement, from July 15, 2005 through September 16, 2005 (the "Transition Period"), Global shall continue to provide certain of the Services to Ivivi as set forth in the Termination Agreement. As compensation for such Services, Ivivi shall pay Global: (i) $20,000 each month during the Transition Period; and (ii) an amount equal to 13% of the aggregate amount invoiced by Global (net of taxes, returns and adjustments) on behalf of and in the name of Ivivi, for the sale or rental of Ivivi Products during the Transition Period.

Pursuant to the terms of the Termination Agreement, from the date of the Termination Agreement until September 30, 2005, or such later date as mutually agreed to by the parties (the "Managed Care Commission Period"), Global shall have the right to enter into agreements with managed care companies pursuant to which Global shall service the managed care companies and their respective patients/members, utilizing Ivivi Products on a local/regional basis. Pursuant to the Termination Agreement, for a period of three years following the date of the Termination, Global shall be entitled to receive commissions equal to 45% of revenues generated from such agreements entered into during the Managed Care Commission Period; provided, that Global continues to service the managed care companies and their respective patients/members under such agreements during such three-year period.

Notwithstanding the Termination, Ivivi and Global agreed that Global may continue to act as a distributor of Ivivi Products under the existing distributor agreement between Ivivi and Global, as such agreement may otherwise be amended by such parties from time to time.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of the Company's operations and financial condition should be read in conjunction the Financial Statements and notes thereto included elsewhere in this Quarterly Report on Form 10-QSB.

Forward-Looking Statements

This Quarterly Report on Form 10-QSB contains forward-looking statements within the meaning of the "safe harbor" provisions under section 21E of the Securities and Exchange Act of 1934 and the Private Securities Litigation Act of 1995. The Company uses forward-looking statements in its description of its plans and objectives for future operations and assumptions underlying these plans and objectives. Forward-looking terminology includes the words "may", "expects", "believes", "anticipates", "intends", "forecasts", "projects", or similar terms, variations of such terms or the negative of such terms. These forward-looking statements are based on management's current expectations and are subject to factors and uncertainties which could cause actual results to differ materially from those described in such forward-looking statements. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this report to reflect any change in our expectations or any changes in events, conditions or circumstances on which any forward-looking statement is based. Factors which could cause such results to differ materially from those described in the forward-looking statements include those set forth under "Item. 1 Description of Business - Risk Factors" and elsewhere in, or incorporated by reference into the Company's Annual Report on Form 10-KSB for the fiscal year ended March 31, 2005 and other filings with the Securities and Exchange Commission.

Critical Accounting Policies

For the three months ended June 30, 2005, there were no significant changes to the Company's critical accounting policies from those reported in the Company's Annual Report on Form 10-KSB for the fiscal year ended March 31, 2005.

Business Overview

The Company is a technology-based developer and manufacturer of diversified lines of products in the following three areas: (1) environmentally safe chemical products for industrial use, (2) therapeutic non-invasive electronic medical devices and (3) cosmetic and topical dermatological products. The Company currently derives most of its revenues from the development, manufacture and sale of chemical products, and, to a lesser extent, from its therapeutic non-invasive electronic medical devices and topical dermatological products.

The Company is a corporation that was organized under the laws of the State of Delaware on November 24, 1969. The Company's operations are conducted through the Company itself and its three subsidiaries, Ivivi Technologies, Inc., Pegasus Laboratories, Inc. and Sonotron Medical Systems, Inc.

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Results of Operations for the three months ended June 30, 2005
as compared to June 30, 2004

Revenues

Revenues were $321,010 in 2005 as compared to $385,297 in 2004, a decrease of $64,287 or 17%. Revenues from the Company's chemical activities increased by $40,549, offset by a decrease of $104,836 in the Company's medical activities in 2005 as compared to 2004. Although chemical revenues increased for the current period, a customer of the Company's chemical products that had previously represented approximately 15% of the Company's chemical revenues in prior periods informed the Company on August 19, 2005, that it was ceasing operations. Such customer had limited orders during the quarter ended June 30, 2005 and accounted for approximately $30,000 of the Company revenues for such period. The decrease in revenues from the Company's medical technology activities was due to a loss of revenue of $54,560 from a customer, due to the uncertainty of collectability of amounts due to the Company. The Company intends to continue seeking payment of such receivable; however, there can be no assurance that the Company will be able to collect any or all of such receivable.

Operating (Loss)

Operating loss in 2005 was $1,246,382 compared to operating income in 2004 of $23,978. Selling, general and administrative expenses increased by $979,634 of which, approximately $850,000 or 87% was due to the significant increase in personnel, marketing, and overhead costs from the Company's Ivivi subsidiary to support Ivivi's expanded activities related to the distribution and marketing of its SofPulse technology and the balance of approximately $129,000 was attributable to the Company's chemical activities primarily comprised of an increase in personnel costs by the addition of an employee and increased technical consulting expenses. Research and development expense was $167,349 during the six months ended June 30, 2005 for the Ivivi subsidiary for laboratory studies for its SofPulse technology, with no expense in the 2004 period. Net Interest and financing costs increased $95,273 due to interest expense on the convertible notes issued in the private placement offset by interest earned from amounts invested in money market funds.

Liquidity and Capital Resources

At June 30, 2005, the Company had cash and equivalents of $1,722,441 as compared to $3,011,631 at March 31, 2005. The decrease was primarily the result of the increased operating expenses at the Company's subsidiary, Ivivi Technologies, Inc. ("Ivivi").

Operating Activities

Net cash flows used by operating activities were $1,217,381 for the three months ended June 30, 2005 as compared to net cash flows provided by operating activities of $32,513 for the quarter ended June 30, 2004. This decrease in cash used was primarily due to a net loss of $1,246,382 related mostly to the Company's medical technologies activities, increases in prepaid expenses of $70,064, and inventories of $36,357. These increases were partially offset by non cash charges for the amortization of loan costs related to the Company's Private Placement of $54,976 and bad debt expense $55,490.

Investing Activities

For the quarter ended June 30, 2005 cash used in investing activities of $17,043 related to the purchase of equipment. For the quarter ended June 30, 2004 zero cash was used in investing activities.

Financing Activities

During the quarter ended June 30, 2005 the Company paid $54,766 for deferred costs related to the private placement offering as compared to $19,785 paid during the quarter ended June 30, 2004.

The Company does not have any material external sources of liquidity or unused sources of funds.

The Company's revenues, operations and cash flows over the past few years have declined. Management has recognized the situation and has developed a business plan to enhance the activities of one of its subsidiaries which markets the SofPulse medical device. In December 2004 and February 2005, the Company, together with Ivivi, its majority-owned subsidiary, completed two private placements pursuant to which they issued, jointly and severally, unsecured convertible notes in an aggregate principal amount of $3,637,500 and $2,450,000, respectively. The private placements were completed in eight separate closings from July 2004 through February 2005. The proceeds of the private placements are being used primarily by Ivivi for the research and development and sales and marketing of the SofPulse device line of products and for the research and development of other potential products being developed by Ivivi. Approximately $448,000 of the net proceeds of the private placements were used to repay a portion of Ivivi's indebtedness to the Company. The liability for such borrowings has been recorded in the Company's financial statements.

The notes are due and payable five years from the date of issuance, unless earlier converted. The notes bear interest at 6% per annum and under certain circumstances, the principal and accrued interest on the notes will either be: (i) convertible into the Company's common stock at $.29 per share or (ii) convertible into Ivivi's common stock at $8.30 per share. For each Note in the principal amount of $100,000 issued in the private placements, one warrant for the purchase of up to 344,828 shares of the Company's common stock at $.41 per share (the "Company Warrant") and one warrant for the purchase of up to 12,048 shares of Ivivi's common stock at $5.70 per share (the "Ivivi Warrant") were issued. Each of the Company Warrants and the Ivivi Warrants provides that in addition to paying the exercise price, the holder must surrender the non-exercised warrant (i.e., either the Company Warrant or the Ivivi Warrant).

Pursuant to the terms of the private placements completed in each of December 2004 and February 2005, the number of shares of the Company's common stock and the number of shares of Ivivi's common stock issuable upon conversion of the convertible notes issued therein and the exercise of the warrants will increase by 1% and 2%, respectively, for each 30-day period, or portion thereof, after March 1, 2005 and June 30, 2005, respectively, that a registration statement covering the shares of the Company's common stock and the shares of Ivivi's common stock, respectively, underlying securities issued in the private placement is not declared effective.

The notes contain covenants that limit each of the Company's and Ivivi's ability to take certain actions without the consent of the holders of the notes, including:

- incurring additional indebtedness for borrowed money, except in the ordinary course of business;
- merging, selling substantially all of its assets or acquiring another entity;
- making loans or investments;
- paying dividends or making distributions;
- incurring liens on its assets;
- making capital expenditures;
- entering into certain transactions with affiliates; and
- materially changing its business.

The Company will need to obtain additional capital to continue to operate and grow its business, including the business of its subsidiaries, and its ability to obtain additional financing in the future will depend in part upon the prevailing capital market conditions, as well as its and its subsidiaries' business performance. In February 2005, the Company's subsidiary, Ivivi, filed a registration statement with the Securities and Exchange Commission related to the proposed initial public offering of Ivivi's common stock. There can be no assurance that the Company or Ivivi will be successful in their efforts to arrange additional financing, including through the proposed initial public offering of Ivivi's common stock, on terms satisfactory to the Company and/or Ivivi or at all.

Item 3. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d - 15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"))that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applies its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives.

As of the end of the period covered by this Quarterly Report on Form 10-QSB, the Company carried out an evaluation, with the participation of its management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures pursuant to Securities Exchange Act Rule 13a-15. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in ensuring that information required to be disclosed by the Company in the reports that the Company files or submits under the Securities Exchange Act is accumulated and communicated to the Company's management including its Chief Executive Officer and Chief Financial Officer, to ensure that such information is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms.

Changes In Internal Controls Over Financial Reporting.

There have been no changes in the Company's internal controls over financial reporting that occurred during the Company's last fiscal quarter to which this Quarterly Report on Form 10-QSB relates that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 6. Exhibits.

(a) Exhibit No.

10.1 Termination Agreement with Global Medical, LLC.

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ADM Tronics Unlimited, Inc.

By:\s\ Andre' DiMino
Andre' DiMino
President

Dated: Northvale, New Jersey
August 22, 2005

Exhibit 10.1

Termination Agreement with Global Medical, LLC.

Proposed Structure to End September 16, 2005:

1. Back-end services	$12,000 Beginning July 15,2005 till September 16, 2005, payable monthly
2. Jorge Gonzalez	$8,000 Beginning July 15, 2005 till September 16, 2005, payable monthly
Total	$20,000 Beginning July 15, 2005 till September 16, 2005, payable monthly with first payment due upon execution of this agreement.
3. Over-ride on all institutional revenue	13% for July, August, and September, through September 16, 2005.
4. Arlis and Jeff	Pass through costs to Ivivi - Global will be paid on the actual overall costs of the employees as of July 1, 2005 till the date that Ivivi takes over the payments/salary expense in its entirety from Global. Ivivi may determine at anytime that the services provided by the Employees will not be required and that Ivivi will not be responsible for any additional payments beyond such point. Ivivi will not be responsible for any accrued vacation time nor will Ivivi be responsible for any commission payments and/or bonus payments due or any other expenses.
5. Managed Care	45% commission on Global Medical Contract Obtainment - These contracts will be direct between Global Medical and the managed care company. Patients would be serviced via Global direct on a local/regional basis. Global Medical will have the right to sign a contract directly with a Managed Care Company until September 30, 2005, or such longer period as mutually agreeable. This agreement will be valid for a period of 3 years for any accounts that Global is responsible for obtaining and for which Global services.

6. At the conclusion of this Agreement it is the understanding of both Ivivi Technologies, Inc. and Global Medical L.L.C. that there will be no additional obligations between the two companies as well as no additional obligations between Ivivi Technologies, Inc. and Yoav Gershoni except for the obligation of Ivivi Technologies to grant Yoav Gershoni one thousand (1,000) fully vested options to purchase one thousand (1,000) shares in Ivivi Technologies stock at an exercise price of $10 per share, subject to any Lock-Up Agreement and such other documents and agreements as required of other grantees of options by Ivivi and/or as deemed necessary and advisable by Ivivi's board of directors, legal counsel, financial auditors and underwriters who will be guided by applicable SEC guidelines and accounting rules and exercisable subsequent to Ivivi Technologies going public. It is agreed, however, that Global Medical L.L.C. may continue to operate as a distributor for Ivivi Technologies, Inc. as such understanding may be amended from time to time.

By: /s/Yoav Gershoni Global Medical, LLC	By: /s/ Edward Hammel Ivivi Technologies, Inc.
Dated: 7/22/05	Dated: 7/22/05

Exhibit 31.1

Certification
Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002

I, Andre' DiMino, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of ADM Tronics Unlimited, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am the registrant's only certifying officer and am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 22, 2005 /s/ Andre' DiMino

Chief Executive Officer

A signed original of this written statement required by Section 302 has been provided to ADM Tronics Unlimited, Inc. and will be retained by ADM Tronics Unlimited, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 31.2

Certification
Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002

I, Andre' DiMino, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of ADM Tronics Unlimited, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am the registrant's only certifying officer and am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 22, 2005 /s/ Andre' DiMino
Chief Financial Officer

A signed original of this written statement required by Section 302 has been provided to ADM Tronics Unlimited, Inc. and will be retained by ADM Tronics Unlimited, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ADM Tronics Unlimited, Inc. (the "Company") on Form 10-QSB for the period ended June 30, 2005 (the "Report"), filed with the Securities and Exchange Commission, Andre' DiMino, Chief Executive Officer and Chief Financial Officer, of the Company hereby certifies pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition of the Company as of the dates presented and the consolidated result of operations of the Company for the periods presented.

Date: August 22, 2005 /s/ Andre' DiMino
Chief Executive Officer and
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 10-QSB or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to ADM Tronics Unlimited, Inc. and will be retained by ADM Tronics Unlimited, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.