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REPRO MED SYSTEMS INC
Form 10KSB
June 14, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-KSB

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

For the fiscal year ended FEBRUARY 29, 2004

Commission File Number 0-12305

REPRO-MED SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

New York ----- (State or other jurisdiction of incorporation or organization)	13-3044880 ----- (IRS Employer Identification No.)
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24 Carpenter Road, Chester, NY ----- (Address of principal executive offices)	10918 ----- (Zip Code)
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Registrant's telephone number, including area code (845) 469-2042

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Title of each class -----	Name of each exchange on which registered -----
Common stock, \$.01 Par Value	Over the Counter Bulletin Board

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 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[]

Indicate by check mark if the disclosure of delinquent filers pursuant to Item 405 of Regulation S-B, is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this form 10-KSB or any amendment to this Form 10-KSB. []

Based on the closing sales price of February 29, 2004, the aggregate market value of the voting and nonvoting common equity held by non-affiliates of the registrant was \$3,679,650.

The number of issued outstanding of the registrant's common stock, \$.01 par value was 24,531,000 at February 29, 2004 which includes 2,275,000 shares of Treasury Stock.

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Repro-Med Systems, Inc.

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PART I

ITEM 1. BUSINESS

THE COMPANY

Repro-Med Systems, Inc. went public in 1982 (OTC - symbol REPR). We design and manufacture medical devices directing resources to the global markets for emergency medical products and infusion therapy. We maintain a presence in the US markets for impotency treatments and gynecological instruments. These products are regulated by the FDA.

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Repro-Med Systems, Inc. was incorporated under the laws of the State of New York, March 1980. The corporate offices are located at 24 Carpenter Road, Chester, New York 10918. The telephone number is 845-469-2042, fax is 845-469-5518 and the Internet site is www.repro-med.com

PRODUCTS

The primary growth strategy is to develop unique, proprietary medical devices. These devices are intended to save money for the user and create a repetitive demand for replacement of the disposable component - "razor - blade model". This strategy led to our development of products for the ambulatory infusion systems and emergency medical equipment markets. Historically, contract manufacturing was a strong source of revenue, but the Company is transitioning away from this market in order to concentrate on our own proprietary devices. Male infertility and impotency treatments were the first markets entered in the early 1980's. Our presence in this market has decreased due to a shift in focus towards the RES-Q-VAC and FREEDOM60. The Company is seeking outside funding to introduce additional products into this market. The Gyneco gynecological instrument product line was acquired in 1986 and sales continue primarily through repeat business.

The table below presents the product mix for the last two fiscal years.

	2004 %of Sales	2003 % of sales
	-----	-----
Infusion Therapy	21%	16%
Emergency Medical	62%	70%
Contract Manufacturing	7%	3%
Gynecological Instruments	9%	11%
Male Impotency Treatments	Less than 1%	<1%

We have also been developing other new proprietary medical devices. These products include a device for female incontinence and a device that can be used to detect certain cancers non-invasively using special imaging techniques. Thus, we have products currently on the market, new short-term products about to be marketed, and long range products to support and enhance future growth. Research and Development efforts have been temporarily suspended for some new products and continue at a reduced rate for others. The Company will focus more efforts on the Research and Development front once funds become available through internal cash flow or outside financing.

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FREEDOM60 SYRINGE INFUSION SYSTEM

The FREEDOM60 Syringe Infusion Pump was designed for ambulatory infusions. Ambulatory infusion pumps are most prevalent in the home care market. We are also considering using the FREEDOM60 for pain control applications and chemotherapy. The home infusion therapy market is comprised of 4,500 sites of service, including local and national organizations, hospital-affiliated organizations, and national home infusion organizations with approximately \$4.5 Billion in revenue annually (Ref: www.nhianet.org). With insurance reimbursement in a severe decline, there is a tremendous need for a low-cost, effective alternative to electronic and expensive disposable IV administration devices for the home care and nursing home market.

The FREEDOM60 provides a high-quality delivery to the patient at costs similar to gravity and is targeted for the home health care industry, patient emergency transportation, and for any time a low-cost infusion is required.

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For the home care patient, FREEDOM60 is an easy-to-use lightweight mechanical pump acting on a 60cc syringe, completely portable, cost effective and maintenance free--no batteries to replace, no cumbersome IV pole. For the infusion professional, FREEDOM60 delivers precise infusion rates and uniform flow profiles providing consistent transfer of medication. A Form 510(k) Premarket Notification for initial design of the FREEDOM60 as a Class II device was approved by the FDA in May 1994.

During 2001, we developed a new version of the pump called the FREEDOM60-FM containing an electronic flow monitor system (occlusion and end of infusion alarm) which has opened excellent marketing avenues in nursing homes, hospitals and pediatric ambulatory applications where alarms are generally required for nursing acceptance. Nurses also appreciate being able to visualize the drug volume by reading the scale on the syringe.

We signed a group purchasing agreement in December 1999 with Child Health Corporation of America (CHCA) for the FREEDOM60 Syringe Infusion System. CHCA is a cooperative and business alliance of 38 children's hospitals and home care facilities. The agreement called for CHCA to assist us to market the FREEDOM60 to its members and ended December 2002. Currently eight of the hospitals continue to actively use the system, and we will continue to pursue other CHCA-affiliated hospitals as independent customers.

During August 2001, we began a trial of the FREEDOM60 at one location of a major national home healthcare agency. We received our first order, as a result of the successful trial, in September 2001 and have developed them into our largest FREEDOM60 customer. We have leveraged our relationship and currently provide the FREEDOM60 to five additional centers. As a direct result of our sales efforts at the Medica Trade Show in Dusseldorf, Germany, the Company authorized an Italian distributor to obtain the CE Mark to market the FREEDOM60 in Europe. This distributor has secured the CE mark for sales into Europe of FREEDOM60 and has begun initial sales of the product into Italy, France, Spain, Germany and Greece. We are working with this distributor to introduce new additions to the FREEDOM60 product line.

We have expanded the use of the FREEDOM60 to cover most antibiotics including the widely used and somewhat difficult to administer vancomycin. We have also found a following for FREEDOM60 for use in treating thalissemia with the drug desferal. In Europe, our distributor has found great success in using the FREEDOM60 for pain control, specifically post-operative epidural pain administration. Europe is also using the FREEDOM60 for chemotherapy.

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We are looking to increase our marketing penetration into home care in the domestic market, and introduce pain control and chemotherapy into our market as well. We believe we are well-positioned to meet the needs of the current medical realities: low reimbursement and an aging population.

Repro-Med Systems' objective is to build a product franchise with FREEDOM60 and the sale of patented disposable tubing sets. FREEDOM60 uses rate-controlled tubing with standard slide clamp and luer-lock connector. The patented syringe disc connector insures that only FREEDOM60 tubing sets sold by us will function within the pump. Non-conforming tubing sets, without the patented disc connector, are ejected from the pump and prevent an overdose or runaway pump from injuring the patient.

THE MARKET FOR PUMPS & DISPOSABLES

The ambulatory market has been rapidly changing due to reimbursement issues. Insurance reimbursement has been drastically reduced providing opportunity for

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FREEDOM60. The market share of high-end electronic type delivery systems is on the decline as well as high-cost disposable non-electric devices. Market pressures have forced patients to go on low-cost gravity systems or IV push where the drug is pushed into the vein directly from a syringe. This is a low-cost option but has been associated with complications and considered by many to be a high-risk procedure. Thus, the overall trend has been towards syringe pumps due to the low-cost of disposables. FREEDOM60-FM addresses the largest market segments with the lowest cost alarm syringe pump system.

The chart below summarizes the market trends of devices.

METHOD OF ADMINISTRATION -----	MARKET TREND -----
Ambulatory Pump	Flat/Declining
Gravity Infusion	Increasing
Pole Mounted Pump	Declining
Elastomeric	Declining
Syringe	Increasing
Implant	Increasing
IV Push	Increasing

ECONOMIC BENEFITS OF FREEDOM60 DISPOSABLE SALES

We have sold approximately 2,700 pumps since March, 2000. We sold approximately 550 pumps during the past fiscal year. At the moment, we estimate that, after allowing for lost pumps and those no longer in use by the purchaser, there are approximately 1,300 FREEDOM60 pumps currently in operation. The FREEDOM60 pump is designed for a minimum use of 4,000 cycles which at our list price is amortized at a low \$.06 per use. The tubing sets currently have a list price of \$3.20. In the past, we have noted that each pump is used an average of 12 times per month. However, customers are becoming much more cost-conscious and are increasing the number of uses per set through sterile filters, changes in protocols and other means. We now

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estimate that each pump uses an average of six sets per month. This monthly rate amounts to annual usage of 72 sets producing typical gross revenues to the distributor of \$230 per pump. If the pump is operated up to four times per day, the total uses per month would be 48, and thus the pump life expectancy is anticipated to be over six and a half years.

Installed bases for various levels of pumps produce the following sales:

Pumps In Market -----	Annual Sales of Disposables -----
5000	\$1,152,000
10000	\$2,304,000
50000	\$11,520,000
100000	\$23,040,000

We have a combination of direct sales and sales through distributors. Distributors typically receive discounts from list price depending upon servicing and volumes of up to 35%.

COMPETITION FOR THE FREEDOM60

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FREEDOM60 competes in the United States infusion pump market based on price, service and product performance. Some of the competitors have significantly greater resources for research and development, manufacturing and marketing, and as a result may be better prepared to compete for market share even in areas in which FREEDOM60 products may be superior. The industry is subject to technological changes and there can be no assurance that we will be able to maintain any existing technological lead long enough to establish our products and to sustain profitability.

EMERGENCY MEDICAL PRODUCTS

RES-Q-VAC products provide a complete emergency suction system for neonates, children and adults for use in any location, as it is non-electric. RES-Q-VAC removes fluids from a patient's airway. RES-Q-VAC consists of a hand-held, portable suction pump that can be connected to various sized sterile or non-sterile catheters. The one-hand operation makes it extremely effective particularly in emergencies. The disposable features of the RES-Q-VAC reduce the risk of contaminating the technician, for example, from HIV when suctioning a patient or during post treatment cleanup. All the parts that connect to the pump are disposable. RES-Q-VAC was introduced in 1990 and is now sold in thirty-one countries. The product is generally found in emergency vehicles, hospitals and as backup support for powered suction systems.

The RES-Q-VAC is currently the market leader for manual, portable suction instruments. The primary competition is the V-Vac from Laerdal. The V-Vac is more difficult to use, cannot suction infants, and cannot be used while wearing heavy gloves such as in chemical warfare or extreme cold. Laerdal had more resources than Rebro-Med Systems and had begun marketing the V-Vac before RES-Q-VAC entered the market. The RES-Q-VAC, however, has proven to be significantly superior and dominates the market to date. Another competitor is Ambu, with the Res-Cue brand pump, a product similar to RES-Q-VAC, made in China. Management believes the product is not as well made or as versatile, and may not be purchased by the military segment of the market due to lines

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of supply concerns. With additional capital, management believes it will continue to maintain and build market share with an improved RES-Q-VAC (discussed below) and gain a significant portion of the electric suction pump market with the introduction of the RES-Q-VAC Plus system currently under development.

On June 10, 2003, we received notice that a patent approval was issued for our new FULL STOP PROTECTION. This upgrade to the RES-Q-VAC system prevents any fluids from exiting the system. It also serves to trap airborne and fluid pathogens. We believe that the addition of the full stop design substantially separates the RES-Q-VAC from competitive units, which tend to leak fluid when becoming full or could pass air born pathogens during use. There is a heightened concern from health care professionals concerning exposure to disease and the new RES-Q-VAC provides substantially improved protection for these users.

OSHA 29CFR 1910.1030 - Occupational Exposure to Bloodborne Pathogens requires that employers of "...emergency medical technicians, paramedics, and other emergency medical service providers; fire fighters, law enforcement personnel, and correctional officers... must consider and implement devices that are appropriate [to contain bloodborne pathogens], commercially available and effective." These first responders risk exposure to serious disease, and the employers may risk OSHA violations and lawsuits if they fail to consider protective measures such as Rebro-Med's FULL STOP PROTECTION for RES-Q-VAC. The Company has received a letter from OSHA indicating the RES-Q-VAC meets the

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intent of this regulation.

On April 29, 2003, the Centers for Disease Control issued additional guidelines for the control of SARS (Sudden Acute Respiratory Syndrome) which requires all suction systems to have filtration equivalent to a HEPA filter to prevent the spread of this disease. At the current time, we believe that the RES-Q-VAC with FULL STOP PROTECTION is the only portable device to comply with the CDC directives.

Since the introduction of our patented and trademarked Full Stop Protection, which prevents overflow and any pathogens from entering the pump or being dispersed in the air, the number of applications for RES-Q-VAC has substantially increased. We are making changes to our marketing to take full advantage of these new markets, and to position our product to successfully penetrate them.

The main advantage of our RES-Q-VAC airway suction system is versatility. With the addition of Full Stop Protection, we increased the complexity of ordering exactly what each new customer requires. Another issue to address was the need for different product configurations for each market. These issues were solved by making specific custom RES-Q-VAC kits for each vertical market. We now offer separate product offerings based on the market served:

Emergency Medicine - we make several special kits for emergency use which contain all the catheters necessary to treat adults as well as infants or children. These first responder kits are generally non-sterile. We also have special attachments available for the advanced paramedic to treat patients who are intubated.

Respiratory - in homes, long term care, for situations requiring frequent suctioning such as cystic fibrosis patients, patients with swallowing disorders, elderly, patients on ventilators, tracheotomies--all can benefit

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from the portability, cost and performance of the RES-Q-VAC. Even in the hospital, for emergency back up due to power loss or breakdown of the wall suction system, RES-Q-VAC can provide quality lifesaving care at an affordable cost. Typically for the home, these devices are non-sterile and reusable.

Hospital Use - for crash carts, the emergency room, and backup for respiratory, RES-Q-VAC is available sterile with Full Stop Protection for the ultimate in performance and to meet all the OSHA regulations and CDC guidelines for use in treating patients in isolation, and in any location. We provide special hospital kits which are fully stocked to meet all hospital applications for both adult and pediatric.

Nursing homes, hospice, sub-acute - we provide special configurations for dining areas, portable suctioning for outside events and travel. Chronic suction can be accommodated with RES-Q-VAC which can be left by the bed side for rapid use during critical times.

Dental applications - we have configured a version called Dental-Evac which addresses the needs of oral surgeons for emergency back up suction during a procedure. Dental-Evac is supplied with the dental suction attachments such as saliva ejector and high volume evacuator.

Military Applications - we recently met with the Surgeon General of the US Army who advised us that products like ours are needed for the types of non battlefield warfare currently facing our soldiers. Due to its light-weight, portability, and rapid deployment, RES-Q-VAC is ideal for many military situations. In addition, exposure to chemical weapons of mass destruction such

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as sarin are best treated by rapid, aggressive, repeated suctioning. We believe that the RES-Q-VAC's compact size, powerful pump, and full protection of the user from any contamination, gives us a competitive edge in this market. We have engaged the services of a retired United State Air Force Colonel to guide our military sales efforts.

RES-Q-VAC is sold domestically and internationally by emergency medical device distributors. These distributors generally advertise these products in their catalogs.

Impotency Treatments

We market the RESTORE Kit for the treatment of impotency. RESTORE uses vacuum therapy to naturally induce blood flow to enable an erection. The kit includes Pro-Long constriction rings that make it possible to trap the blood and maintain the erection.

The US market for impotency treatments is estimated at 30 million men. Pfizer reports that Viagra will not work for 30%-40% of impotent men. Consequently, the potential market for the RESTORE Kit in the US is approximately 10 million men. We have been compelled by limited resources to rely heavily on the web site to generate interest and sales for the RESTORE Kit.

GYNECOLOGICAL INSTRUMENTS

We purchased the Gyneco product line in 1986. Products included the Masterson Endometrial Biopsy Kit for in-office biopsy sampling procedures and the Thermal Cautery System used for tubal ligation procedures.

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Masterson Endometrial Biopsy Kit is a self-contained unit that offers a quick and easy procedure for in-office tissue sampling. The powerful vacuum pump is easily operated with one hand. The pump is supplied with sterile disposable curettes and specimen containers presented in a kit.

The Thermal Cautery System is designed to provide a safe, reliable and effective method of female sterilization. The unit is small, compact and portable. A rechargeable battery supplies power. The unit uses disposable components that include the cautery hook assembly, cannula and Trocar stylette.

CONTRACT MANUFACTURING

Historically, we have used OEM profits to partially fund internal product development that has resulted in RES-Q-VAC and FREEDOM60. OEM sales have been as high as 70% of sales (1996). In 2004 and 2003, contract manufacturing for one customer amounted to 7% and 3% of sales, respectively. In late 1998, one customer substantially reduced marketing support for its product and consequently requested postponement of shipments. We have been manufacturing a portable, hand-operated suction pump for sale to the remaining active customer but were informed that the demand for this product has diminished. As a result, the Company has transitioned from these contracts to building and selling its own proprietary products due to the much-improved margins associated with directly marketed devices.

SALES AND DISTRIBUTION

Distribution channels for the products are those generally common to their respective markets. Emergency medical products are sold through a wide network of domestic and international distributors in 31 overseas countries. Ambulatory infusion systems are sold through both direct sales efforts concentrated on

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large national accounts and a network of medical device distributors. Gynecological instruments are sold from the corporate offices primarily through repeat business. Male impotency treatment products are marketed primarily through the web site and a limited number of distributors of personal care items.

We had signed a group purchasing agreement that facilitates sales presentations to approximately 38 allied members of the Child Health Corporation of America which has expired in December 2002. Currently eight of the members are using our products. We continue to pursue additional CHCA centers independently as we believe that the FREEDOM60 advantages of cost reduction and performance are benefits required to remain competitive.

MANUFACTURING AND EMPLOYEES

Electromechanical assembly, calibration, pre- and post-assembly quality control inspection and testing, and final packaging for all products are performed at the facility by the employees. Products are assembled using molded plastic parts acquired from several U.S. vendors and one supplier located in Taipei, Taiwan. The availability of parts has not been a problem. The cost and time required to fabricate molds to manufacture parts can slow the development of new products and might temporarily limit supply if we determine it is advisable to seek alternate sources of supply for existing products. Our policy has been to have multiple vendors as suppliers, where practicable, that also offer mold-building capabilities as a service.

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In February 2004, we employed 19 employees, 14 were assigned to manufacturing operations, one to sales and customer support, two to administrative functions, one to quality assurance functions, one Vice President of Operations (responsible for manufacturing, warehouse and procurement operations), and one Executive Officer. The Company is dependent on the services of Andrew Sealfon who serves as President and the head of Research and Development and is also instrumental in marketing and finance. The Company does not have insurance on the life of Andrew Sealfon and may not be able to replace him if the need arose.

REGULATIONS GOVERNING THE MANUFACTURING OPERATIONS

The Food, Drug and Cosmetic Act governs the development and manufacturing of all medical products. The Act requires us to register the facility, list devices, file notice of intent to market new products, track the locations of certain products and to report any incidents of death or serious injury relating to the products with the FDA. We are subject to civil and criminal penalties and/or recall seizure or injunctions if we fail to comply with regulations of the FDA.

The most recent Form 510(k) filings with the FDA were for the resuscitator and the vacuum erection device and constriction rings, both approved in 1998.

We are required to comply with federal, state and local environmental laws; however, there is no significant effect of compliance on capital expenditures, earnings or competitive position. We do not use significant amounts of hazardous materials in the assembly of these products.

Periodically we are subject to inspections and audits by FDA inspectors. During the year ended February 28, 2003, we were subject to a routine QSR review by the FDA. The FDA inspection did not find any significant violations and no DD483 was issued. As a result of FDA audits, the Company is always subject to further audits and could be impacted by adverse findings.

PATENTS AND TRADEMARKS

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We have filed and received U.S. protection for many of our products and in some cases, where it was no longer deemed economically beneficial, we have allowed certain patent protections to lapse. The RES-Q-VAC, an emergency medical product, is susceptible in the international market to imitation. In 2002 a competitor had introduced a competitive product to the RES-Q-VAC into the market. We responded with the introduction of new innovative features for the RES-Q-VAC that enhances the product and places it steps above the competition in safety.

On January 14, 2003, we received notice of allowability for a patent for our new Full Stop Protection. This patent, #6,575,946, was issued on June 10, 2003. This addition to the RES-Q-VAC system prevents any fluids from exiting the system. It also serves to trap airborne and fluid pathogens. We believe that the addition of the flow block design substantially separates the RES-Q-VAC from competitive units, which tend to leak fluid when becoming full or could pass air born pathogens during use. There is a heightened concern from health care professionals concerning exposure to disease and the new RES-Q-VAC provides improved protection for these users.

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OSHA 29CFR 1910.1030 - Occupational Exposure to Bloodborne Pathogens requires that employers of "...emergency medical technicians, paramedics, and other emergency medical service providers; fire fighters, law enforcement personnel, and correctional officers...must consider and implement devices that are appropriate [to contain bloodborne pathogens], commercially available and effective." These first responders risk exposure to serious disease, and the employers may risk OSHA violations and lawsuits if they fail to consider protective measures such as Repro-Med's FULL STOP PROTECTION for RES-Q-VAC The Company has received a letter from OSHA indicating the RES-Q-VAC meets the intent of this regulation

On April 29, 2003, the Centers for Disease Control issued additional guidelines for the control of SARS (Sudden Acute Respiratory Syndrome) which requires all suction systems to have filtration equivalent to a HEPA filter to prevent the spread of this disease. At the current time, we believe that the RES-Q-VAC with FULL STOP PROTECTION is the only portable device to comply with the CDC directives.

The second most recent patent granted to us was #5,336,189 for a "Combination IV Pump & Disposable Syringe" which confers a unique syringe to IV pump interface design. This patent is for the FREEDOM60 Infusion System, an infusion therapy product. The cost of filing and maintaining applications has deterred pursuing international patents.

The patent position of small companies is highly uncertain and involves complex legal and factual questions. Consequently, there can be no assurance that patent applications relating to products or technology will result in patents being granted or that, if issued, the patents will afford protection against competitors with similar technology. Furthermore, some patent licenses held may be terminated upon the occurrence of certain events or become non-exclusive after a specified period. There can be no assurance that we will have the financial resources necessary to enforce any patent rights we may hold.

Our product names are registered trademarks. There can be no assurance that patents or trademarks will provide competitive advantages for the products covered or that they will not be challenged or circumvented by competitors.

ITEM 2. DESCRIPTION OF PROPERTY

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In February 1999, we executed a sale-leaseback for our masonry and steel frame building erected on 3.27 acres of land located at 24 Carpenter Road, Chester, New York 10918. The facility is the only location and is used for our headquarters and manufacturing operations.

Under terms of the contract of sale, we have the option to re-purchase the building, beginning on the second anniversary of the sale and ending on the eighth anniversary. We are required to give 12 months prior notice of the intent to re-purchase the building. The agreed upon amount for re-purchase is as follows:

Year Five	\$2,315,250	Year Six	\$2,431,013
Year Seven	\$2,552,563		

The property is currently subject to a 20-year lease. We are responsible for repairs, maintenance and upkeep of the space we occupy. The terms of the lease call for monthly lease payments of \$10,000 per month and 65% of the

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annual property taxes that amounted to \$47,323 for the year ended February 29, 2004. Our monthly rent is \$10,000 for the first 10 years of the lease and \$11,042 thereafter.

ITEM 3. LEGAL PROCEEDINGS

We are not a party to any material litigation, nor to the knowledge of the officers and directors, is there any material litigation threatened against us.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fiscal year ended February 29, 2004.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

We are authorized to issue 50,000,000 shares of Common Stock, \$.01 par value. As of February 29, 2004, 24,531,000 shares were issued and outstanding and there were approximately 1,142 holders of record.

Our Common Stock is traded in the over-the-counter market and is quoted through the National Daily Quotation Service. The following table sets forth the high and low closing bid quotations for the Common Stock as reported by Commodity Systems, Inc. for the periods indicated. These quotations do not include retail mark-up, markdown or commission and may not represent actual transactions.

	High Bid	Low Bid
	-----	-----
Year Ended February 29, 2004		

1st Quarter	\$0.230	\$0.010
2nd Quarter	\$0.090	\$0.040
3rd Quarter	\$0.050	\$0.040
4th Quarter	\$0.250	\$0.040
Year Ended February 28, 2003		

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1st Quarter	\$0.140	\$0.030
2nd Quarter	\$0.060	\$0.040
3rd Quarter	\$0.040	\$0.030
4th Quarter	\$0.040	\$0.010

On February 2, 1993 we issued 10,000 shares of 8% Cumulative Convertible Preferred Stock in a private placement for \$100,000. We are obligated to pay semi-annual dividend payments of \$4,000 until conversion by shareholders or redemption by us. The 10,000 shares of Cumulative Convertible Preferred Stock are convertible to 238,095 shares of Repro-Med common stock at \$0.42 per share. The 10,000 shares of Cumulative Convertible Preferred Stock are convertible based on the following formula: multiply the number of shares of Preferred Stock to be converted by \$10.00, divide the result by the

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conversion price of \$0.20 per share (or by the conversion price as last adjusted and in effect at the date any shares are surrendered for conversion). The Conversion Price shall increase by \$.02 for each year that the Preferred Stock is outstanding. The current conversion price is \$0.42.

We have not declared or paid any cash dividends on our Common Stock and do not anticipate that any dividends will be paid in the foreseeable future. During the fiscal year ended February 29, 2004, dividends on the Convertible Preferred Stock were accrued in the amount of \$8,000 on the balance sheet.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Annual Report on Form 10-KSB contains certain "forward-looking" statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) and information relating to us that are based on the beliefs of the management, as well as assumptions made by and information currently available. Our actual results may vary materially from the forward-looking statements made in this report due to important factors such as, recent operating losses, uncertainties associated with future operating results, unpredictability related to Food and Drug Administration regulations, introduction of competitive products, limited liquidity, reimbursement related risks, government regulation of the home health care industry, success of the research and development effort, market acceptance of FREEDOM60, availability of sufficient capital to continue operations and dependence on key personnel. When used in this report, the words "estimate," "project," "believe," "anticipate," "intend," "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect current views with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. These statements involve risks and uncertainties with respect to the ability to raise capital to develop and market new products, acceptance in the market place of new and existing products, ability to penetrate new markets, our success in enforcing and obtaining patents, obtaining required Government approvals and attracting and maintaining key personnel that could cause the actual results to differ materially. Repro-Med does not undertake any obligation to release publicly any revision to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

RESULTS OF OPERATIONS

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2004 VS. 2003

Sales of the FREEDOM60 Syringe Infusion System increased by 20% over the prior year due to greater effort to sell the product in the field and the annuity effects of the tubing sales. Sales of our RES-Q-VAC Airway Suction System experienced a 16% decline, concentrated in the domestic market, compared to the prior year due to significant reductions in the budgets of fire departments, city and emergency services. As a result, total sales declined for the year ended February 29, 2004 to \$1,528,385 from \$1,656,553 in 2003.

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As a result of the lower sales and an increase in expenses, the Net Loss of the Year Ended February 29, 2004, was \$277,998, including \$51,350 in stock-based compensation, as compared to the previous year's loss of \$268,190 (which included an inventory adjustment of \$207,519).

Sales of our non-core products lines (Gyneco, Restore) declined 20% from the prior year. Sales from OEM manufacturing increased 106%.

In FY2002, the company added FULL STOP PROTECTION to the RES-Q-VAC, which protects the users from any contamination from overflow and traps all pathogens inside the suction container. This feature is also a requirement of the Occupational Safety and Health Administration under OSHA 29CFR 1910.1030 - Occupational Exposure to Bloodborne Pathogens. The RES-Q-VAC is the only hand-held non-electric suction system with sterile catheters for infants, large catheters for adults, and meets the intent of the OSHA requirements with the FULL STOP PROTECTION device. The Company has received a letter from OSHA confirming that the Full Stop Protector falls under the engineering controls of the Bloodborne Pathogen regulation and therefore would be required by any employer of medical personnel to protect their employees from potentially infectious materials. The Centers for disease control have issued Guidelines for medical personnel for the treatment of patients with SARS which include the recommendation to employ suction devices containing HEPA type filtration on the output to prevent the spread of this disease. We believe RES-Q-VAC is the only hand-held portable suction system which meets this requirement.

In August 2001, we received our first military order for the RES-Q-VAC from one base location of the US Air Force. We received several small orders from other bases during the past year for RES-Q-VAC under their existing AFMLO/VA contract. The company anticipates additional orders will be placed during Fiscal year 2004.

Management continues to seek funds to design a new improved RES-Q-VAC suction device to expand the market substantially, although there is no assurance that such funding can be obtained, or obtained at terms acceptable to us, or that if funded, the markets would develop as expected. We are also beginning to promote the RES-Q-VAC in the home care market, for which the RES-Q-VAC is ideally suited due to its low cost, portability and convenience. We have begun marketing a dental version called Dental-Evac and are seeking lines of distribution for this product.

We have been marketing FREEDOM60 directly to national providers, other distributors, and regional home care agencies. Sales of FREEDOM60 are expected to continue to improve as new pump sales and restocking orders for disposables are received. We have signed a distribution agreement with a large regional distributor and customer in the South East USA and anticipate improved sales potential for the line.

In September 2001, the Company began selling to a major national home care

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agency and we continued to expand the use of the FREEDOM60 to its regional centers across the country. Currently five centers of the agency are using the FREEDOM60. Sales of the Freedom60 continue in Europe with an Italian master distributor who arranged for CE approval of the FREEDOM60 and is successfully marketing the product for use in epidural pain control and chemotherapy.

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Gross profit margin for the year ended February 29, 2004 was 53%, an improvement over the previous year's gross profit margin of 42%, which included an inventory write down of \$207,519. Without the inventory write down, the 2003 gross profit would have been 55%. Selling, General & Administrative Expenses (SG&A) increased \$48,519 year over year from \$827,866 to \$876,385 primarily due to the addition of salary and expenses for a sales person who worked for us for part of the year.

Research and development expenses increased slightly by \$1,917 from \$40,269 to \$42,186 in 2004.

Interest expense increased by \$5,433 to \$31,916 in 2004 from \$26,483 in 2003 as the result of our financing activities.

LIQUIDITY AND CAPITAL RESOURCES

For the Year Ended February 29, 2004 Net Cash from operations was (\$34,925) as compared with \$18,322 for the prior year. This adverse change of \$53,247 was due to a \$128,168 reduction in sales, slightly reduced gross margin and the higher Selling, General & Administrative Expenses.

At the end of fiscal year 2004, the net working capital increased to \$105,185 from \$33,804 due primarily to the private placement of long-term debt securities.

During June 2000, we negotiated a \$200,000 line of credit with M&T Bank that is guaranteed by the President and one of the directors. As of February 29, 2004, \$198,581 had been advanced on the line of credit. In accordance with the agreement the line of credit was to be renewed or paid off by June 30, 2001. We have received a verbal continuance from the bank through June 30, 2003. We have not received a demand for repayment of the loan and continue to make interest payments.

Commencing in mid February, 2004, we started raising capital from a promissory note and stock offering which raised \$225,000 by the end of the fiscal year. This five year promissory note pays 2% over prime plus four shares of common stock per year for every year the loan is in place. An additional \$25,000 was raised in the first and second quarters of 2003 under similar terms.

Short-term loans by related parties, maturing September 30, 2004, totaled \$7,000 and were used in operations. These loans bear an interest rate of 2% over prime. Related parties made an additional \$16,000 in loans bearing an 8% interest rate that now mature on March 30, 2009.

Accounts Receivable, net of reserves, decreased at February 29, 2004 to \$130,334 as compared to \$184,103 for the previous year. Domestic sales are made primarily on net 30-day payment terms. A variety of terms continue to be employed for export sales including cash prepayments and net 45 days to allow for increased delays due to transportation and communications. As of February 29, 2004, 76% of Accounts Receivable were current, 9% were at 30-60 days and 15% were over 60 days.

Prepaid expenses and other receivables increased \$14,305 from \$11,470 to

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\$25,775.

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Capital expenditures in 2004 decreased \$7,090 to \$16,380 as compared to \$23,470 in 2003. We continued limited efforts to protect the results of our research activities; expenditures for the filing and issuance of patents and trademarks increased \$6,033 to \$8,840 in 2004 from \$2,807 in 2003.

In February 1999, we executed a sale-leaseback for our masonry and steel frame building erected on 3.27 acres of land located at 24 Carpenter Road, Chester, New York 10918. The facility is our only location and is used for our headquarters and manufacturing operations.

Under terms of the contract of sale, we have the option to re-purchase the building, beginning on the second anniversary of the sale and ending on the eighth anniversary. We are required to give 12 months prior notice of the intent to re-purchase the building. The agreed upon amount for re-purchase is as follows:

Year Five	\$2,315,250	Year Six	\$2,431,013
Year Seven	\$2,552,563		

The property is currently subject to a 20-year lease. We are responsible for repairs, maintenance and upkeep of the space occupied. The terms of the lease call for monthly lease payments of \$10,000 per month and 65% of the annual property taxes that amounted to \$47,323 for the year ended February 29, 2004. Our monthly rent is \$10,000 for the first 10 years of the lease and \$11,042 thereafter.

SUBSEQUENT EVENTS

In May, 2004, we hired an experienced Vice President of Sales who is based in Florida. We are beginning to market both RES-Q-VAC and FREEDOM60 in Florida using our existing distributors and direct selling. We believe that Florida, with its large elderly population, represents a good marketing opportunity for both of our products.

In June, 2004, we engaged a marketing consultant for the FREEDOM60.

By June 6, 2004, we raised an additional \$100,000 under the promissory note private placement and had a commitment for another \$50,000 at which time we plan to terminate this offering. The proceeds are planned for additional marketing and sales for the products, and to improve some payments to vendors.

2003 VS. 2002

We have focused on our two main products, RES-Q-VAC and FREEDOM60, for the past three years, and in 2003 we decided to write down a significant portion of our inventory associated with discontinued products. Thus the Net Loss of the Year Ended February 29, 2003, including our inventory adjustment of \$207,519, was \$268,190 as compared to the previous year loss of \$386,075. Without the inventory write off of \$207,519, the loss would have been \$60,671. Total sales also declined for the year ended February 28, 2003 to \$1,656,553 from \$1,758,904 due to the elimination of sales of the less profitable products and a decrease in OEM sales.

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Sales of the FREEDOM60 Syringe Infusion System increased by 34% over the prior

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year and sales of our RES-Q-VAC Airway Suction System increased by 9% over the prior year. These sales increases were offset by the elimination of low margin products.

Gross profit margin for the year ended February 28, 2003 was 42% which included an inventory write down of \$207,519. Without the inventory write down, the gross profit would have been 55%. This showed improvement over the previous year's gross profit of 25% primarily due to certain reallocations of expenses and improvements in production efficiencies. Selling, General & Administrative Expenses (SG&A) increased \$192,336 year over year from \$635,530 to \$827,866 primarily as a result of these same reallocations.

Research and development stayed essentially constant, decreasing slightly by \$566 from \$40,835 to \$40,269.

ITEM 7. FINANCIAL STATEMENTS

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MEYLER & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS
ONE ARIN PARK
1715 HIGHWAY 35
MIDDLETOWN, NJ 07748

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

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Repro-Med Systems, Inc.
Chester, NY

We have audited the accompanying consolidated balance sheet of Repro-Med Systems, Inc. as of February 29, 2004 and February 28, 2003 and the related statements of operations, stockholders equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Repro-Med Systems, Inc. as of February 29, 2004 and February 28, 2003, and the results of its operations and its cash flows for each of the two years in the period ended February 29, 2004, in conformity with U.S. generally accepted accounting principles.

/s/ Meyler & Company, LLC

June 9, 2004
Middletown, NJ

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REPRO-MED SYSTEMS, INC. BALANCE SHEETS

ASSETS

	February 29, 2004 ----	February 28, 2003 ----
CURRENT ASSETS		
Cash	\$ 219,682	\$ 16,738
Accounts receivable less allowance for doubtful accounts of \$20,997 and \$8,636 for 2004 and 2003, respectively	130,334	184,103
Inventory	378,982	381,623
Prepaid expenses	25,775	11,470
	-----	-----
Total Current Assets	754,773	593,934
 PROPERTY AND EQUIPMENT, NET	 357,735	 415,755
 OTHER ASSETS		
Patents, net of amortization of \$68,861 and \$63,073 for 2004 and 2003, respectively	38,338	35,285
Goodwill, net of amortization of \$4,488 and \$4,088 for 2004 and 2003, respectively	9,689	10,049

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Security deposits	27,652	55,603
	-----	-----
	75,679	100,937
	-----	-----
	\$ 1,188,187	\$ 1,110,626
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES

Note payable to bank -- demand	\$ 198,581	\$ 199,461
Notes payable to related parties	7,000	-
Accounts payable	325,723	267,634
Accrued expenses	51,956	35,255
Accrued interest	17,985	9,271
Current portion of capital lease obligations	19,079	26,492
Accrued preferred stock dividends	16,000	8,000
Accrued payroll and related taxes	13,264	14,017
	-----	-----
Total Current Liabilities	649,588	560,130

OTHER LIABILITIES

Capital lease obligations, less current portion .	24,846	45,614
Deferred capital gain	337,215	359,696
Long-term debt - notes payable	350,000	84,000
	-----	-----
Total Liabilities	1,361,649	1,049,440

STOCKHOLDERS' EQUITY

Preferred stock, 8% cumulative, liquidation value \$100,000, \$0.01 par value, 2,000,000 shares authorized, 10,000 shares issued and outstanding at February 29, 2004 and February 28, 2003	100	100
Common stock, \$0.01 par value, 50,000,000 shares authorized, 24,531,000 and 23,504,000 issued and outstanding at February 29, 2004 and February 28, 2003, respectively	245,310	235,040
Additional paid-in capital	2,252,711	2,211,631
Accumulated deficit	(2,529,583)	(2,243,585)
	-----	-----
	(31,462)	203,186
Less: Treasury stock, 2,275,000 shares at cost at February 29, 2004 and February 28, 2003	(142,000)	(142,000)
	-----	-----
Total Shareholders' Equity (Deficit)	(173,462)	61,186
	-----	-----
	\$ 1,188,187	\$ 1,110,626
	=====	=====

The accompanying notes are an integral part of these financial statements.

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REPRO-MED SYSTEMS, INC.
STATEMENT OF OPERATIONS

	For the Year Ended	
	February 29,	February 28,
	2004	2003
	----	----
NET SALES	\$ 1,528,385	\$ 1,656,553

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COSTS AND EXPENSES		
Cost of goods sold	723,555	959,538
Selling, general and administrative	876,385	827,866
Research and development	42,186	40,269
Stock based compensation	51,350	-
Depreciation and amortization	80,547	81,435
	-----	-----
Total Costs and Expenses	1,774,023	1,909,108
	-----	-----
NET OPERATING LOSS	(245,638)	(252,555)
OTHER INCOME (EXPENSE)		
Interest and other income	387	11,648
Interest expense	(31,916)	(26,483)
	-----	-----
Total Other Expenses	(31,529)	(14,835)
	-----	-----
NET LOSS BEFORE TAXES	(277,167)	(267,390)
STATE INCOME TAXES	831	800
	-----	-----
NET LOSS	\$ (277,998)	\$ (268,190)
	=====	=====
NET LOSS PER COMMON SHARE		
Basic and diluted	\$ (0.01)	\$ (0.01)
	=====	=====
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	23,537,000	23,504,000
	=====	=====

The accompanying notes are an integral part of these financial statements.

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REPRO-MED SYSTEMS, INC.
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
For the Years Ended February 29, 2004 and February 28, 2003

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Paid-in Capital	Accumulated Deficit	Treas Sto
	-----	-----	-----	-----	-----	-----	-----
Balance							
February 28, 2002	10,000	\$100	23,504,000	\$235,040	\$2,211,631	\$(1,967,395)	\$(142
Preferred stock dividends	-	-	-	-	-	(8,000)	
Net loss for the year ended February 28, 2003	-	-	-	-	-	(268,190)	

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	-----	-----	-----	-----	-----	-----	-----
Balance							
February 28,							
2003	10,000	\$100	23,504,000	\$235,040	\$2,211,631	(2,243,585)	(142,000)
Issurance of common stock to President and others in connection with obtaining loan financing @ \$0.05 per share .	-	-	975,000	9,750	39,000	-	-
Issuance of stock-based compensation @ \$0.05 per share .	-	-	52,000	520	2,080	-	-
Preferred stock dividend	-	-	-	-	-	(8,000)	-
Net loss for the year ended February 29, 2004	-	-	-	-	-	(277,998)	-
	-----	-----	-----	-----	-----	-----	-----
Balance							
February 29,							
2004	10,000	\$100	24,531,000	\$245,310	\$2,252,711	\$(2,529,583)	\$ 142,000
	=====	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

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REPRO-MED SYSTEMS, INC.
STATEMENTS OF CASH FLOWS

	For the Year Ended	
	February 29, 2004	February 28, 2003
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	\$(277,998)	\$(268,190)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation	51,350	-
Depreciation and amortization	80,547	81,435
Deferred capital gain - building lease	(22,481)	(22,481)
Investment valuation provision	801	-
Changes in operating assets and liabilities:		
Decrease in accounts receivable	53,769	11,674
Decrease in inventory	2,641	219,012
(Increase) in prepaid expenses	(14,305)	(3,402)
Increase in accounts payable	58,089	78,523

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Increase in unpaid preferred stock dividends	8,000	4,000
Decrease in accrued payroll and related taxes ...	(753)	(20,264)
Increase in accrued interest	8,714	9,271
(Decrease) Increase in accrued expenses	16,701	(71,256)
	-----	-----
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES .	(34,925)	18,322
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(16,380)	(23,470)
Increase in security deposits	27,150	(2,802)
Patent expenditures	(8,840)	(2,807)
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	1,930	(29,079)
CASH FLOWS FROM FINANCING ACTIVITIES		
Notes Payable - President and Others	250,000	-
Repayment of note payable to bank	(880)	(539)
Preferred stock dividends	(8,000)	(8,000)
Proceeds from note payable to related party	23,000	15,000
Payments on capitalized leases	(28,181)	(4,636)
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	235,939	1,825
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	202,944	(8,932)
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	16,738	25,670
	-----	-----
CASH AND CASH EQUIVALENTS-END OF YEAR	\$ 219,682	\$ 16,738
	=====	=====
Supplemental Disclosures of Cash Flow Information:		
Interest paid	\$ 30,834	\$ 20,061
Income taxes	800	-

The accompanying notes are an integral part of these financial statements.

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REPRO-MED SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
February 29, 2004 and February 28, 2003

NOTE 1 DESCRIPTION OF BUSINESS

Repro-Med Systems, Inc. (the "Company") was incorporated on March 24, 1980 under the laws of the State of New York. The Company was organized to engage in the research, development, laboratory and clinical testing, production and marketing of medical devices used in the treatment of the human condition.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

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INVENTORY

Inventories consist primarily of purchased parts and assembled units and are stated at the lower of cost (first-in, first-out) or market value.

PATENTS

Costs incurred in obtaining patents have been capitalized and are being amortized over seventeen years. Costs of goodwill have been capitalized and are being amortized over thirty-five years.

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REPRO-MED SYSTEMS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
February 29, 2004 and February 28, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

The Company accounts for income taxes under the liability method, which requires the determination of deferred tax assets and liabilities based on the differences between the financial and tax bases of assets and liabilities using enacted tax rates expected to be in effect for the year in which differences are expected to reverse. Deferred tax assets are adjusted by a valuation allowance, since, based on available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

At February 29, 2004, the Company has net operating loss carry forwards of approximately \$2,000,000 which expire through 2023. Since the Company has generated significant operating losses, a deferred tax asset of approximately \$885,000 has been offset by a valuation allowance of \$885,000.

PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment is stated at cost and is depreciated using the straight line method over the estimated useful lives of the respective assets. Routine maintenance, repairs and replacement costs are expensed as incurred and improvements that extend the useful life of the assets are capitalized. When property and equipment are sold or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized in operations.

NET LOSS PER COMMON SHARE

The Company computes per share amounts in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share". SFAS No. 128 eliminates the presentation of primary and fully diluted earnings per share ("EPS") and requires presentation of basic and diluted EPS. Basic EPS is computed by dividing the income (loss) available to Common Stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS is based on the weighted-average number of shares of Common Stock and Common stock equivalents outstanding during the periods. Common stock equivalents have been excluded from the weighted average shares outstanding calculation, as inclusion would be anti-dilutive. The diluted earnings per share calculation includes the addition of \$8,000 for preferred

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stock dividends resulting in no difference between basic and diluted earnings per share.

USE OF ESTIMATES IN THE FINANCIAL STATEMENTS

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

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REPRO-MED SYSTEMS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
February 29, 2004 and February 28, 2003

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company's policy is to provide an allowance for doubtful accounts based on its review of the account receivable and past collection policies and procedures.

REVENUE RECOGNITION

The Company ships a product which is assembled on its premises. Revenue is recognized when a sales order is completed and shipped.

STOCK-BASED COMPENSATION

SFAS No. 123, "Accounting for Stock-Based Compensation" prescribes accounting and reporting standards for all stock-based compensation plans, including employee stock options, restricted stock employee stock purchase plans and stock appreciation rights. SFAS No. 123 requires employee compensation expense to be recorded (1) using the fair value method or (2) using the intrinsic value method as prescribed by accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB25") and related interpretations with pro forma disclosure of what net income and earnings per share would have been had the Company adopted the fair value method. The Company accounts for employee stock based compensation in accordance with the provisions of APB 25. For non-employee options and warrants, the company uses the fair value method as prescribed in SFAS 123.

GOODWILL AND INTANGIBLE ASSETS

In July 2001, the Financial Accounting Standards Board ("FASB") issued SFAS NO. 141, "Business Combinations". SFAS No. 141 requires the purchase method of accounting for business combinations initiated after June 30, 2001 and eliminates the pooling-of-interests method. In July 2001, the FASB issued SFAS NO. 142, "Goodwill and Other Intangible Assets", which will become effective for the Company in 2002. SFAS No. 142 requires, among other things, the discontinuance of goodwill amortization. In addition, the standard includes provisions for the reclassification of certain existing recognized intangibles as goodwill, reassessment of the useful lives of existing recognized intangibles, reclassification of certain intangibles out of previously reported goodwill and the identification of reporting units for purposes of assessing potential future impairment of goodwill.

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In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS No. 144 changes the accounting for long-lived assets to be held and used by eliminating the requirement to allocate goodwill to long-lived assets to be tested for impairment, by providing a probability weighted cash flow estimation approach to deal with situations in which alternative courses of action to recover the carrying amount of possible future cash flows and by establishing a primary-asset approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for long-lived assets to be held and used. SFAS No. 144 changes the accounting for long-lived assets to be disposed of other than by sale by requiring that the depreciable life of a long-lived asset to be abandoned be revised to reflect a shortened

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REPRO-MED SYSTEMS, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 February 29, 2004 and February 28, 2003

GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

useful life and by requiring the impairment loss to be recognized at the date a long-lived asset is exchanged for a similar productive asset or distributed to owners in a spin-off if the carrying amount of the asset exceeds its fair value. SFAS No 144 changes the accounting for long-lived assets to be disposed of by sale by requiring that discontinued operations no longer be recognized at a net realizable value basis (but at the lower of carrying amount or fair value less costs to sell), by eliminating the recognition of future operating losses of discontinued components before they occur and by broadening the presentation of discontinued operations in the income statement to include a component of an entity rather than a segment of a business. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity.

The Company adopted SFAS No. 144 in 2002.

NOTE 3 INVENTORY

Inventory consists of the following at:

	February 29, 2004	February 28, 2003
	----	----
Raw material	\$273,062	\$264,943
Work in progress ...	-	29,573
Finished goods	105,920	87,107
	-----	-----
	\$378,982	\$381,623
	=====	=====

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	February 29, 2004	February 28, 2003	Estimated Useful Lives
--	----------------------	----------------------	------------------------------

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	-----	-----	-----
Furniture and office equipment	\$ 336,692	\$ 331,803	5 years
Manufacturing equipment and tooling	879,460	867,969	7-12 years
	-----	-----	
	1,216,152	1,199,772	
Less: accumulated amortization and depreciation	(858,417)	(784,017)	
	-----	-----	
Property and Equipment, Net	\$ 357,735	\$ 415,755	
	=====	=====	

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REPRO-MED SYSTEMS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
February 29, 2004 and February 28, 2003

NOTE 5 NOTE PAYABLE TO BANK

The Company has a demand note with a local financial institution in the amount of \$198,581. The note bears interest at the current rate of 5.25% (average interest rate for the year was 5.15%) and is secured by the Company's assets as well as personal guarantees of the President and a Company Director. The note was originally due June 30, 2003, however, to date, there has been no demand made by the bank for repayment and the Company continues to pay interest monthly as billed.

NOTE 6 RELATED PARTY TRANSACTIONS

NOTES PAYABLE TO RELATED PARTIES

The President of the Company has advanced the Company \$100,000 under a demand loan which bears interest at the rate of 8%. The President has agreed to extend the maturity date to March 30, 2009.

Additionally, included in current liabilities are notes payable to related parties of \$7,000, \$5,000 to the President of the Company and \$2,000 to the Controller. These latter amounts are due in September, 2004 and bear interest at the rate of 2% over prime. See also Note 8 for additional loans payable to the President.

LEASED AIRCRAFT

The Company leases an aircraft from a company controlled by the President. The lease payment aggregated \$22,500 for each of the years ended February 29, 2004 and February 28, 2003. The original lease agreement has expired and the Company is currently on a month to month basis for rental payments.

NOTE 7 CAPITAL LEASE OBLIGATIONS

The Company has obtained various pieces of equipment under capital leases expiring through April 2008. The assets and liabilities under these capital leases are recorded at the lower of the present values of the minimum lease payments or the fair values of the assets. The assets are included in property and equipment and are being depreciated over their estimated useful lives.

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REPRO-MED SYSTEMS, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 February 29, 2004 and February 28, 2003

NOTE 7 CAPITAL LEASE OBLIGATIONS (CONTINUED)

As of February 29, 2004, minimum future lease payments under these capital leases are:

	For the Years Ending February 28, -----	Amount -----
	2005	24,735
	2006	21,039
	2007	13,505
	2008	857

Total minimum lease payments (forward)		\$60,136 =====

	February 29, 2004 ----	February 28, 2003 ----
Total minimum lease payments (forward)	\$60,136	\$98,151
Less: amounts representing interest	16,211	26,045
	-----	-----
Net minimum lease payments	43,925	72,106
Less: current portion	19,079	26,492
	-----	-----
Long-term portion	\$24,846 =====	\$45,614 =====

NOTE 8 LONG-TERM DEBT

Long-term debt consists of the following at:

	February 29, 2004 ----	February 28, 2003 ----
In April, 2003, the Company borrowed \$25,000 from three individuals, one of which was the President of the Company for \$10,000, at 2% over the prime lending rate. The loans mature June 30, 2008. As incentive to make the loans, the Company agreed to grant one share of its common stock for each dollar of indebtedness outstanding on each calendar quarter. As of February 29, 2004, 75,000 shares of common stock to be issued to the note holders.	\$25,000	-

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REPRO-MED SYSTEMS, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 February 29, 2004 and February 28, 2003

NOTE 8 LONG-TERM DEBT (CONTINUED)

In February 2004, the Company borrowed \$225,000 from several individuals. These loans mature March 30, 2009 and bear interest at a rate of 2% over the prime lending rate. As incentive to make the loans, the Company agreed to grant four shares of its common stock immediately to each of the note holders and, commencing on the yearly anniversary date, four shares of common stock for each dollar of unpaid principal are to be issued. As of February 29, 2004, 900,000 shares of common stock are to be issued to the note holders. 225,000 -

The President of the Company has lent the Company, at various times over the past three years, \$100,000 at 8% interest. The loans are unsecured and mature March 30, 2009.	100,000	\$84,000
	-----	-----
	\$350,000	\$84,000
	=====	=====

NOTE 9 STOCKHOLDERS' EQUITY

On February 2, 1993, the company issued and sold 10,000 shares of \$0.01 par value Convertible Cumulative Preferred Stock at a price of \$10.00 per share. Dividends are payable semi-annually at an annual rate of \$8,000 or 8% of the original sale price of \$100,000. Effective February 29, 2004, the Convertible Cumulative Preferred Stock can be converted to 238,095 shares of common stock at the conversion price of \$0.42 per share. The dividends for the years ending February 29, 2004 and February 28, 2003 have not been paid and have been accrued.

On October 31, 1996, the Company purchased, in a private offering, 275,000 shares of common stock at a price of \$0.08 per share, a total of \$22,000. On September 10, 1996, the Company purchased, in a private offering, 2,000,000 shares of common shares at a price of \$0.06 per share, a total of \$120,000. These treasury shares may be sold at a future time or utilized for corporate use.

In connection with note agreements executed in April 2003, the Company is obligated to issue one share per quarter for each dollar of indebtedness which exists at the calendar quarter. As at February 29, 2004, the Company is obligated to issue 75,000 share of its common stock to these note holders at \$0.05 per share. These shares have not been issued as of the date of the report, but have been reflected as issued in these financial statements.

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NOTE 9 STOCKHOLDERS' EQUITY (CONTINUED)

In connection with the note agreements executed in February 2004, the Company is obligated to issue four shares for every dollar of principal borrowed. As at February 29, 2004, the Company is obligated to issue 900,000 shares to these note holders at \$0.05 per share. These shares have not been issued as of the date of the report, but have been reflected as issued for financial statement purposes.

In February 2004, the Company is obligated to issue 52,000 shares of its common stock to consultants for services rendered. These shares have not been issued as of the date of the report, but have been reflected as issued for financial statement purposes.

At February 29, 2004, 4,040,095 common shares are reserved for the issuance of stock options and shares to be issued to note holders under the note placement program.

NOTE 10 STOCK OPTIONS

On March 1, 1995, the Board of Directors approved two incentive stock option programs for the benefit of key employees, directors, and officers of the Company. The two plans, termed the 1995 Stock Option Plan and the 1995 Stock Plan For Non-Employee Directors (the "Option Plans"), provide options to purchase 5,000,000 and 500,000 shares, respectively, of Repro-Med common stock. The Company has filed a Registration Statement with the Securities and Exchange Commission for these Option Plans. The Option Plans, as amended, expire in April 2007. Options granted under the 1995 Stock Option Plan to full time employees are intended as "incentive stock options" within the meaning of Section 422A of the Internal Revenue Code. The employee options vest over a period of five years beginning one year from the grant date and are exercisable until one year from the date all options have vested.

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REPRO-MED SYSTEMS, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 February 29, 2004 and February 28, 2003

NOTE 10 STOCK OPTIONS (CONTINUED)

Stock option activity for the years February 29, 2004 and February 28, 2003 is summarized as follows:

QUALIFIED OPTIONS

	Shares	Weighted Average Exercise Price
	-----	-----
Outstanding at February 28, 2002	3,090,000	\$0.08
Exercised	-	-
Expired or cancelled	100,000	-
	-----	-----
Outstanding at February 28, 2003	2,990,000	\$0.08
Exercised	-	-
Expired or cancelled	600,000	-
	-----	-----

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Outstanding at February 29, 2004	2,390,000	\$0.08
	=====	=====

NON-QUALIFIED OPTIONS

	Shares	Weighted Average Exercise Price
	-----	-----
Outstanding at February 28, 2002	635,000	\$0.38
Exercised	-	-
Expired or cancelled	250,000	-
	-----	-----
Outstanding at February 28, 2003	385,000	\$0.17
Exercised	-	-
Expired	-	-
	-----	-----
Outstanding at February 29, 2004	385,000	\$0.17
	=====	=====

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REPRO-MED SYSTEMS, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 February 29, 2004 and February 28, 2003

NOTE 10 STOCK OPTIONS (CONTINUED)

No options were granted during the years ended February 29, 2004 and February 28, 2003.

The non-qualified stock options outstanding are fully vested and the compensation amount attributable to the issuance of these stock options has been expensed. The compensation expense was fully amortized and charged to operations during the year ended February 28, 2002. These stock options are exercisable for three years from the grant date. The employee options are exercisable for ten years from the grant date. As of February 29, 2004, all options are vested and earned.

The following table summarizes information about options outstanding and exercisable at February 29, 2004:

	Outstanding		
	Shares	Weighted average remaining life in years	Weighted average exercise price
	-----	-----	-----
Range of exercise prices			
\$.06 to \$.10	2,190,000	1.0	\$0.08
\$.23	100,000	1.5	0.23
\$.20	100,000	2.0	0.20
\$.10 to \$.25	385,000	3.0	0.13

	2,775,000		
	=====		

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NOTE 11 SALE-LEASEBACK TRANSACTION - OPERATING LEASE

On February 25, 1999, the Company entered into a sale-leaseback arrangement. Under the arrangement, the company sold its land and building at 24 Carpenter Road in Chester, New York and leased it back for a period of 20 years. The leaseback is accounted for as an operating lease. The gain of \$449,617 realized in this transaction has been deferred and will be amortized to income in proportion to rental expense over the term of the related lease.

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REPRO-MED SYSTEMS, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 February 29, 2004 and February 28, 2003

NOTE 11 SALE-LEASEBACK TRANSACTION - OPERATING LEASE (CONTINUED)

At February 29, 2004 the minimum future rental payments are:

Year ----	Minimum Rental Payments -----
2005	120,000
2006	120,000
2007	120,000
2008	120,000
2009	120,000
thereafter	\$1,325,000

	\$1,925,000
	=====

Rent expense for each of the years ended February 29, 2004 and February 28, 2003 aggregated \$120,000.

In March 2003, the company negotiated with the landlord to utilize \$27,150 of the security deposit (currently held by the landlord) to pay for March and April 2003 rent. The agreement requires replenishment within 90 days. At the date of this report, the Company has not replenished the security deposit.

NOTE 12 COMMITMENTS AND CONTINGENCIES

The Company has been reworking certain units sold to an OEM customer in 1999 and is currently discussing reworking or remanufacturing approximately 19,500 units. The Company believes that it has fulfilled its manufacturing and warranty obligations to this customer. However, the maximum exposure to such customer approximates \$150,000.

NOTE 13 SUBSEQUENT EVENTS

In March and April 2004, the company obtained an additional \$100,000 from several individuals under the promissory note private placement. As incentive to the note holders to lend the Company these funds, the Company will issue 400,000 shares of its common stock to the note holders.

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ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS: COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

The following table sets forth certain information with respect to the Executive Officers and Directors:

Name ----	Age ---	Position/Held Since -----
Andrew I. Sealfon	59	President 1980, Treasurer 1983, Chairman 1989, Director 1980, CEO 1986
Paul Mark Baker	54	Director 1991
Nathan Blumberg	69	Director 2000
Remo Spagnoli	75	Director 1993

Mr. Sealfon is deemed a "parent" and "promoter" as those terms are defined under the Securities Act of 1933 as amended.

All directors hold office until the next annual meeting of shareholders or until their successors are elected. Executive Officers hold office at the discretion of the Board of Directors.

Mr. Sealfon co-founded Repro-Med Systems, Inc. in 1980. He is an electrical engineer and inventor and has been granted numerous United States patents. Mr. Sealfon is a graduate of Lafayette College.

Dr. Baker earned a medical degree from Cornell University Medical College. He is a practicing pediatrician and is attending at Department of Pediatrics Horton Memorial Hospital, Middletown, NY and attending at New York Hospital-Cornell Medical Center in New York City. Dr. Baker assisted us in the development of the RES-Q-VAC Suction System. In addition, Dr. Baker has published results of use of the RES-Q-VAC in a letter to LANCET, a medical journal.

Dr. Blumberg was a practicing urologist in the New York area, and has founded and sold an IV business to 3M. He teaches medicine at Stony Brook University on Long Island, and now consults for various medical companies. He makes available a wealth of medical and business acumen to the Company.

Mr. Spagnoli is a principal founder and past President and Chairman of CRS, Inc., Newburgh, NY, a manufacturer of proprietary inventory control and point of sale software and distributor of computer equipment. Mr. Spagnoli presently consults for CRS, Inc.

ITEM 10. EXECUTIVE COMPENSATION

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Andrew I. Sealfon, President, received \$122,667 in salary from Repto-Med during the fiscal year ended February 29, 2004. Mr. Sealfon has been granted incentive stock options in Repto-Med under its 1995 Stock Option Plan.

The officers are reimbursed for travel and other expenses incurred on behalf of Repto-Med Systems, Inc. We do not have pension or profit sharing plans.

Summary Compensation

Name & Position -----	Year ----	Salary -----	Other * -----
Andrew I. Sealfon,	2004	\$122,667	-
President	2003	\$133,909**	-
	2002	\$129,750	\$6,000

* Other compensation includes car allowance and \$6,000 for rental of lab facilities (\$2,500 was accrued at year-end FY2002).

** The increase in paid salary from 2002 was the result in a change in payroll cycles for management employees from bi-weekly to semi-monthly that had the effect of accelerating one pay period. As of February 28, 2003, nominal salary remained unchanged from prior years.

Table of aggregated options exercised in the fiscal year and option values at year-end February 2004:

Name of Individual -----	Shares Acquired On Exercise -----	Value Realized -----	Number of Unexercised Options at Year-end Exercisable / Unexercisable -----	Value of Unexercised In-the-Money Options at Year-end Exercisable/Unexercisable -----
A. I. Sealfon -----				
Exercisable	0	0	1,500,000	\$126,000
Unexercisable	0	0	0	\$ 0

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of February 2004, the number of shares of Common Stock beneficially owned by each person owning more than 5% of the outstanding shares, by each officer and director, and by all officers and directors as a group:

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Name of Principal Shareholders and Identity of Group -----	Number of Shares Owned -----	Percent Of Class -----	Notes: -----
Andrew I. Sealfon*	6,607,250	30%	1,2,6
Dr. Paul Mark Baker	1,284,000	6%	6
Dr. Nathan Blumberg	260,000	1%	5,6

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Remo Spagnoli	1,375,950	6%	3,4,6
All Directors and Officers as a Group (4 Persons)	9,527,200	43%	7

*Andrew I. Sealfon is deemed a "parent" and a "promoter" of Repro-Med Systems, Inc. as those terms are defined under the Securities Act of 1933, as amended.

(1) Does not include 690,000 shares of common stock owned by members of Mr. Sealfon's family, as to which Mr. Sealfon disclaims beneficial ownership.

(2) Under the terms of a voting agreement dated June 30, 1992, Messrs. Sealfon and Zorigniotti agreed to vote their shares jointly when voting as stockholders. This agreement which was in effect for 10 years represents 3,571,500 shares previously owned by the Estate of A. Zorigniotti. In 1996, 2,000,000 shares were purchased by Repro-Med Systems, Inc., January 1997, 1,571,500 were purchased in a private transaction by a number of individual investors including at that time an officer and three directors of Repro-Med. This same group purchased 400,000 shares from the estate of A. Zorigniotti in May 1998. These transactions were subject to the voting agreement and resulted in 3,971,500 shares being classified as owned by Mr. Sealfon in prior years. The voting agreement ended June 30, 2003, and these shares are no longer included in Mr. Sealfon's reported holdings.

(3) Includes 477,000 shares of Common Stock owned by six members of Mr. Spagnoli's family.

(4) Mr. Spagnoli directly owns 10,000 shares of Repro-Med Convertible 8% Preferred Stock. For fiscal 2003, \$8,000 in preferred stock dividends has been accrued on the balance sheet. The preferred stock can be redeemed for 250,000 shares of Repro-Med common stock at \$0.40 per share. Consequently, 250,000 shares are deemed beneficially owned by Mr. Spagnoli and included above.

(5) Dr. Blumberg was issued 50,000 shares through an agreement between Princeton Research and Repro-Med Systems, Inc., which called for a total issue of 250,000 shares of stock in exchange for services rendered.

(6) On March 1, 1995, the Board of Directors approved two incentive stock option programs for the benefit of key employees, directors, and officers of Repro-Med Systems, Inc. The two plans, termed the 1995 Stock Option Plan and the 1995 Stock Option Plan For Non-Employee Directors (the "Option Plans"), provide options to purchase 5,000,000 and 500,000 shares, respectively, of Repro-Med common stock. We have filed a Registration Statement with the Securities and

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Exchange Commission for the Option Plans. The Option Plans expire March 1, 2005. Options granted under the 1995 Stock Option Plan to full time employees and are intended as "incentive stock options" within the meaning of Section 422A of the Internal Revenue Code. On March 1, 1995, the Board of Directors granted options for 3,800,000 shares. On August 28, 1998 the option price was reduced from \$.15 to \$.06 per share. The option price of \$.06 per share was not less than the fair market value of the common stock on the date the price was reduced. The option price of \$.066 cents per share was not less than 110% of the fair market value of the common stock on the date the price was reduced. Options for 100,000 shares are awarded to each Director upon signing on as a Director. Options for 30,000 shares were issued to Dr. Blumberg, Dr. Baker and Ray Spagnoli for their efforts during the fiscal year ended February 28, 2001.

(7) Treasury stock totaling 2,275,000 shares acquired by Repro-Med Systems, Inc.

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at a cost of \$142,000 was excluded from all percentage calculations.

Name ----	Main Position -----	Price Per Share -----	No. Shares & Earliest Date of Exercise -----
Sealfon, A.	President	\$0.066	1,500,000, 3/1/95
Baker, M.	Clinical Consultant	\$0.060	300,000, 3/1/95
		\$0.250	30,000, 5/9/01

1995 Stock Option Plan for Non-Employee Directors:

Spagnoli, R.	Director	\$0.060	20,000, 3/1/96
			20,000, 3/1/97
			20,000, 3/1/98
			20,000, 3/1/99
			20,000, 3/1/00
		\$0.250	30,000, 5/9/01
Blumberg, N.	Director	\$0.230	20,000, 8/1/01
			20,000, 8/1/02
			20,000, 8/1/03
			20,000, 8/1/04
			20,000, 8/1/05
		\$0.250	30,000, 5/9/01

The above calculations give effect to purchase of shares exercisable under the terms of the Option Plans on these issued options by each officer and director, and by all officers and directors as a group.

All new directors were granted an option for 100,000 shares at an exercise price of \$.25 per share during the fiscal year 2002, which are vested at 20,000 options per year for five years. The Company has reminded each of said directors to file an SEC Form 3 or SEC Form 4, as applicable, with respect to such option grant. The Company's officers and directors who participated in the debt private placement have not yet filed their SEC Forms 4 to reflect the shares that they will receive.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

To reduce corporate travel expenses, we maintain and operate a corporate aircraft. Since 1992, the aircraft has been leased from AMI Aviation, Inc. Mr. Sealfon is a majority shareholder in AMI Aviation. The lease expenses

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paid were \$22,500 in each of 2003 and 2004. We believe the AMI lease is on terms competitive with those that could be obtained from unaffiliated third parties. As of February 29, 2004, the Company owed AMI Aviation approximately \$3,000 for repairs made to the aircraft during the prior year (in accordance with the lease agreement).

During 2004, the Company borrowed \$5,000 from AMI Aviation. This loan is payable September 30, 2004, and bears an interest rate of 2% over prime.

During 2004, the Company borrowed \$6,000 from the President, Andrew Sealfon, under a demand loan with an annual interest rate of 8%. The note has been approved by the Board of Directors. The maturity of this loan has been extended by Mr. Sealfon to March 30, 2009.

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During 2004, the Company borrowed \$10,000 from Mr. Sealfon under terms similar to the private note program. Interest is payable at 2% over the prime rate plus one share of common stock per quarter for each dollar of indebtedness. As of the date of this report, these shares have not been issued to Mr. Sealfon. The loan matures June 30, 2008.

Messrs. Sealfon and Zorigniotti entered into a ten year voting agreement June 30, 1992 pursuant to which they agreed on their behalf and on behalf of their successors in interest to vote all the shares over which they then had voting control when voting for the election of directors (or as directors when filling vacancies in the board) for persons designated jointly by them with one half or a majority (if there are an odd number of directors) of the designees to be named by Mr. Sealfon and the remainder by Dr. Zorigniotti. The voting agreement further provided for either of them to designate all directors or to determine how all of the shares shall be voted on other matters requiring the approval of stockholders, in the event of the death of the other. Dr. Zorigniotti died July 7, 1994; therefore Mr. Sealfon had the exclusive right to vote all the shares covered under the voting agreement until expiration of the agreement on June 30, 2002.

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PART IV

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

- (3) Articles of Incorporation and By-Laws:
 - 3(a) Articles of Incorporation(1)
 - 3(b) By-Laws(2)
- (10) Material Contracts:
 - 10(c) Voting Agreement for Repro-Med Systems, Inc. Common Stock between Andrew I. Sealfon and Dr. Adrian Zorigniotti(3)
 - 10(e) 1995 Stock Option Plan(4)
 - 10(f) 1995 Stock Option Plan for Non-Employee Directors(4)
- (21) Subsidiary of Registrant: NONE
- (31) Rule 13a-14(a)/15d-14(a) Certifications:
 - 31.1 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- (32) Section 1350 Certifications:
 - 32.1 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) REPORTS ON FORM 8-K:

Form 8-K/A, Item 9, Regulation FD Disclosure, incorporated by reference for May 12, 2004.

Form 8-K/A, Item 9, Regulation FD Disclosure, incorporated by reference for February 2, 2003.

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Form 8-K/A, Item 9, Regulation FD Disclosure, incorporated by reference for May 12, 2003.

Form 8-K/A, Item 4, Changes in Registrant's Certifying Accountant, incorporated by reference for February 28, 2003 as amended July 14, 2003.

-
- (1) Incorporated by reference from the Registration and Offering Statement of Repto-Med Systems, Inc., dated November 12, 1982.
 - (2) Incorporated by reference from the Form 10-KSB Report of Repto-Med Systems, Inc., dated February 28, 1987.
 - (3) Incorporated by reference from Form 10-KSB Report of Repto-Med Systems, Inc., dated February 29, 1993.
 - (4) Incorporated by reference from Form 10-KSB Report of Repto-Med Systems, Inc., dated February 28, 1995.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) 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.

REPRO-MED SYSTEMS, INC.

/s/ Andrew I. Sealton
Andrew I. Sealton, President
Dated: June 10, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Andrew I. Sealton June 10, 2004

Andrew I. Sealton, President, Treasurer,
Chairman of the Board, Director, and Chief
Executive Officer, Chief Financial Officer

/s/ Dr. Nathan Blumberg June 10, 2004

Dr. Nathan Blumberg, Director

/s/ Dr. Paul Mark Baker June 10, 2004

Dr. Paul Mark Baker, Director

/s/ Remo Spagnoli June 10, 2004

Remo Spagnoli, Director

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