

SKYE INTERNATIONAL, INC
Form 10QSB
August 14, 2006

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB
(Mark One)

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

For the quarterly period ended March 31, 2006

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

For the transition period from _____ to _____

COMMISSION FILE NUMBER: 000-27549

SKYE INTERNATIONAL, INC.

(Exact name of Company as specified in its charter)

NEVADA

88-0362112

(State or other jurisdiction of incorporation or
organization)

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

7150 West Erie Street, Chandler, Arizona 85226
(Address of principal executive offices) (Zip Code)

Company's telephone number: (480) 889-9999

(Former name, address and phone number if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity. As of March 31, 2006 - 18,413,231, \$0.001 par value.

Transitional Small Business Disclosure Format (check one): YES NO

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements (unaudited)

Skye International, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(Unaudited)

ASSETS

	March 31, 2006	December 31, 2005 (Audited)
CURRENT ASSETS		
Cash	\$ 0	\$ 2,711
Accounts Receivable, Net	9,900	2,773
Inventory at Cost	77,611	25,069
Prepaid Expenses	2,257	757
Total Current Assets	89,768	31,310
EQUIPMENT, NET	55,706	56,626
OTHER ASSETS		
Patents and Software, Net	-	-
Deposits	20,000	20,000
Intangible Assets	3,982	-
Total Other Assets	23,982	20,000
TOTAL ASSETS	\$ 168,856	\$ 107,936

LIABILITIES AND STOCKHOLDERS'
EQUITY

LIABILITIES

Bank Overdraft	\$ 1,519	\$ 0
Accounts Payable	1,180,704	234,556
Other Payables	401,657	870,914
Notes Payable	1,118,241	1,118,241
Accrued Interest Payable	83,696	81,626
Warranty Accrual	34,570	34,570
Customer Deposits	103,371	103,371
Total Liabilities	2,923,758	2,443,278

STOCKHOLDERS' EQUITY

Common Stock authorized is 100,000,000 shares,
par value \$0.001, Issued and outstanding on
March 31, 2006 and December 31, 1005 is
18,413,231 and 17,838,231 respectively

18,413

17,838

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Paid in Capital	7,851,258	7,436,333
Common Stock Subscribed	120,000	275,000
Accumulated Deficit	(10,743,974)	(10,064,513)
Total Stockholders' Equity (Deficit)	(2,754,302)	(2,335,342)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 168,856	\$ 107,936

The accompanying notes are an integral part of these statements

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Skye International, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Mos. Ended March 31, 2006	Three Mos. Ended March 31, 2005
INCOME		
Product Sales	\$ 8,032	\$ 55,027
Other Income	2,600	-
Total Income	10,632	55,027
Cost of Goods Sold	1,074	22,822
Gross Income	9,558	32,205
EXPENSES		
Legal and Professional	456,941	19,279
General and Administrative	193,611	153,845
Research and Development	-	158,918
Advertising/Marketing	27,929	813
Loss on Disposal of Assets	-	-
Interest Expense		