

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

For the quarterly period ended November 30, 2006 or

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1937

For the transition period from _____ to _____

Commission file number: 001-32046

SIMULATIONS PLUS, INC.

(Name of small business issuer in its charter)

CALIFORNIA
(State or other jurisdiction of
Incorporation or Organization)

95-4595609
(I.R.S. Employer
identification No.)

42505 10TH STREET WEST
LANCASTER, CA 93534-7059
(Address of principal executive offices including zip code)

(661) 723-7723
(Issuer's telephone number, including area code)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 []

The number of shares outstanding of the Issuer's common stock, par value \$0.001 per share, as of January 15, 2007, was 7,479,548.

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ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,102,782
Accounts receivable, net of allowance for doubtful accounts and estimated contractual discounts of \$32,711	1,214,114
Current portion of contracts receivable, net of discounts of \$2,242	186,138
Inventory	233,906
Prepaid expenses and other current assets	56,897
Current portion of deferred tax	190,034

Total current assets 3,983,871

CAPITALIZED COMPUTER SOFTWARE DEVELOPMENT COSTS,
net of accumulated amortization of \$2,534,905

1,400,231

PROPERTY AND EQUIPMENT, net (note 4)

102,278

CONTRACTS RECEIVABLE, net of discounts of \$161

47,219

CUSTOMER RELATIONSHIPS, net of accumulated amortization of \$36,156

91,886

DEFERRED TAX

889,816

OTHER ASSETS

18,445

TOTAL ASSETS

\$ 6,533,746

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

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES	
Accounts payable	\$ 140,548
Accrued payroll and other expenses	373,561
Accrued bonuses to officers	10,430
Accrued warranty and service costs	34,852
Deferred revenue	157,173

Total current liabilities	716,564
LONG TERM DEFERRED REVENUE	62,501

Total liabilities	779,065

COMMITMENTS AND CONTINGENCIES (note 5)	
SHAREHOLDERS' EQUITY (note 6)	
Preferred stock, \$0.001 par value	
10,000,000 shares authorized	
no shares issued and outstanding	--
Common stock, \$0.001 par value	
20,000,000 shares authorized	
7,449,496 shares issued and outstanding	3,802
Additional paid-in capital	5,287,207
Retained Earnings	463,672

Total shareholders' equity	5,754,681

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 6,533,746
	=====

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

	2006	2005
	-----	-----
NET SALES	\$ 1,456,451	\$ 818,815
COST OF SALES	441,440	331,597
	-----	-----
GROSS PROFIT	1,015,011	487,218
	-----	-----
OPERATING EXPENSES		
Selling, general, and administrative	756,777	628,756
Research and development	183,627	97,222
	-----	-----
Total operating expenses	940,404	725,978
	-----	-----
INCOME (LOSS) FROM OPERATIONS	74,607	(238,760)
	-----	-----
OTHER INCOME (EXPENSE)		
Interest income	15,928	3,481
Miscellaneous income	358	50
Gain (Loss) on currency exchange	2,972	(5,302)
	-----	-----
Total other income (expense)	19,258	(1,771)
	-----	-----
INCOME (LOSS) BEFORE INCOME TAXES	93,865	(240,531)
BENEFIT FROM (PROVISION FOR) INCOME TAXES		
Benefit from (provision for) income tax	(20,650)	42,000
	-----	-----
Total benefit from (provision for) income taxes	(20,650)	42,000
	-----	-----
NET INCOME (LOSS)	\$ 73,215	\$ (198,531)
	=====	=====
BASIC EARNINGS (LOSS) PER SHARE	\$ 0.01	\$ (0.03)
	=====	=====
Diluted earnings (loss) per share	\$ 0.01	\$ (0.03)
	=====	=====
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING*		
BASIC	7,444,551	7,298,668
	=====	=====
DILUTED	8,548,560	7,298,668
	=====	=====

* The number of shares at November 30, 2005 have been retroactively restated to reflect a 2-for-1 stock split that occurred on August 14, 2006.

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

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