

ALPHA PRO TECH LTD
Form 10-Q
May 07, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarterly Period Ended March 31, 2010

Commission File No. 01-15725

Alpha Pro Tech, Ltd.

(exact name of registrant as specified in its charter)

Delaware, U.S.A.
(State or other jurisdiction of incorporation)

63-1009183
(I.R.S. Employer Identification No.)

Suite 112, 60 Centurian Drive

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Markham, Ontario, Canada
(Address of principal executive offices)

L3R 9R2
(Zip Code)

Registrant's telephone number, including area code: **(905) 479-0654**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class
Common Stock, \$0.01 par value

Outstanding May 5, 2010
22,424,283 shares

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Alpha Pro Tech, Ltd.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Alpha Pro Tech, Ltd. (Alpha Pro Tech or the Company) prepared the following unaudited interim consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) have been omitted pursuant to these rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading.

You should read the following unaudited interim consolidated financial statements and the accompanying notes together with the Company s current year filings on Form 10-Q and Form 8-K, as well as the Company s Annual Report on Form 10-K for the year ended December 31, 2009 filed with the SEC. The Company s 2009 Annual Report contains information that may be helpful in analyzing the financial information contained in this report and in comparing its results of operations for the three months ended March 31, 2010 with the same period in 2009.

Table of Contents**Consolidated Balance Sheets (Unaudited)**

| | March 31, 2010 | December 31, 2009 (1) |
|--|-------------------|--------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 5,428,000 | \$ 9,753,000 |
| Accounts receivable, net of allowance for doubtful accounts of \$63,000 at March 31, 2010 and \$65,000 at December 31, 2009 | 6,360,000 | 8,593,000 |
| Inventories, net | 16,033,000 | 13,094,000 |
| Prepaid expenses and other current assets | 3,105,000 | 2,792,000 |
| Deferred income taxes | 457,000 | 457,000 |
| Total current assets | 31,383,000 | 34,689,000 |
| Property and equipment, net | 4,011,000 | 3,843,000 |
| Goodwill, net | 55,000 | 55,000 |
| Intangible assets, net | 179,000 | 184,000 |
| Equity investments in and advances to unconsolidated affiliates | 1,697,000 | 1,701,000 |
| Total assets | \$ 37,325,000 | \$ 40,472,000 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,292,000 | \$ 2,963,000 |
| Accrued liabilities | 529,000 | 2,732,000 |
| Total current liabilities | 1,821,000 | 5,695,000 |
| Deferred income taxes | 906,000 | 906,000 |
| Total liabilities | 2,727,000 | 6,601,000 |
| Shareholders' equity: | | |
| Common stock, \$0.01 par value, 50,000,000 shares authorized, 22,424,285 and 22,419,285 issued and outstanding at March 31, 2010 and December 31, 2009, respectively | 224,000 | 224,000 |
| Additional paid-in capital | 23,204,000 | 23,164,000 |
| Retained earnings | 11,170,000 | 10,483,000 |
| Total shareholders' equity | 34,598,000 | 33,871,000 |
| Total liabilities and shareholders' equity | \$ 37,325,000 | \$ 40,472,000 |

(1) The consolidated balance sheet as of December 31, 2009 has been prepared using information from the audited financial statements at that date.

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

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Consolidated Income Statements (Unaudited)

| | For the Three Months Ended March 31, | |
|---|---|--------------|
| | 2010 | 2009 |
| Net sales | \$ 11,629,000 | \$ 9,326,000 |
| Cost of goods sold, excluding depreciation and amortization | 6,641,000 | 5,207,000 |
| Gross margin | 4,988,000 | 4,119,000 |
| Expenses: | | |