

ALPHA PRO TECH LTD
Form 10-Q
May 05, 2016
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, 2016

Commission File No. 01-15725

Alpha Pro Tech, Ltd.

(exact name of registrant as specified in its charter)

Delaware, U.S.A. 63-1009183
(State or other jurisdiction of incorporation) (I.R.S. Employer Identification No.)

60 Centurian Drive, Suite 112
Markham, Ontario, Canada L3R 9R2
(Address of principal executive offices) (Zip Code)

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

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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	Outstanding May 2, 2016
Common Stock, \$0.01 par value	17,455,454 shares

Alpha Pro Tech, Ltd.

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Alpha Pro Tech, Ltd.**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****Condensed Consolidated Balance Sheets (Unaudited)**

	March 31, 2016	December 31, 2015 (1)
Assets		
Current assets:		
Cash	\$8,247,000	\$9,681,000
Investments	551,000	656,000
Accounts receivable, net of allowance for doubtful accounts of \$71,000 and \$46,000 as of March 31, 2016 and December 31, 2015, respectively	6,196,000	2,762,000
Accounts receivable, related party	-	8,000
Inventories	14,755,000	16,398,000
Prepaid expenses and other current assets	2,522,000	3,092,000
Deferred income tax assets	484,000	484,000
Total current assets	32,755,000	33,081,000
Property and equipment, net	2,812,000	2,907,000
Goodwill	55,000	55,000
Definite-lived intangible assets, net	46,000	51,000
Equity investments in unconsolidated affiliate	3,138,000	3,040,000
Total assets	\$38,806,000	\$39,134,000
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$1,077,000	\$1,027,000
Accrued liabilities	1,053,000	1,128,000
Total current liabilities	2,130,000	2,155,000
Deferred income tax liabilities	816,000	867,000
Total liabilities	2,946,000	3,022,000
Commitments		
Shareholders' equity:		
Common stock, \$.01 par value: 50,000,000 shares authorized; 17,455,456 and 17,850,456 shares outstanding as of March 31, 2016 and December 31, 2015,	174,000	178,000

respectively

Additional paid-in capital	15,867,000	16,526,000
Accumulated other comprehensive loss	(244,000)	(148,000)
Retained earnings	20,063,000	19,556,000
Total shareholders' equity	35,860,000	36,112,000
Total liabilities and shareholders' equity	\$38,806,000	\$39,134,000

(1) The condensed consolidated balance sheet as of December 31, 2015 has been prepared using information from the audited consolidated balance sheet as of that date.

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Alpha Pro Tech, Ltd.**Condensed Consolidated Statements of Income (Unaudited)**

	For the Three Months Ended March 31,	
	2016	2015
Net sales	\$ 11,847,000	\$ 10,654,000
Cost of goods sold, excluding depreciation and amortization	7,602,000	6,829,000
Gross profit	4,245,000	3,825,000
Operating expenses:		
Selling, general and administrative	3,457,000	3,577,000
Depreciation and amortization	154,000	171,000
Total operating expenses	3,611,000	3,748,000
Income from operations	634,000	77,000
Other income:		
Equity in income of unconsolidated affiliate	98,000	98,000
Interest income, net	1,000	1,000
Total other income	99,000	99,000