

ALPHA PRO TECH LTD  
Form 10-Q  
November 07, 2012

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 September 30, 2012

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  
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

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes \_\_\_ No X

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

Class	Outstanding October 31, 2012
Common Stock, \$0.01 par value	20,565,190 shares

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Alpha Pro Tech, Ltd.

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## Condensed Consolidated Balance Sheets (Unaudited)

	September 30, 2012	December 31, 2011 (1)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$5,891,000	\$7,503,000
Accounts receivable, net of allowance for doubtful accounts of \$74,000 and \$54,000 as of September 30, 2012 and December 31, 2011	6,107,000	4,725,000
Inventories	16,691,000	15,566,000
Prepaid expenses	1,974,000	2,243,000
Deferred income taxes	628,000	572,000
Total current assets	31,291,000	30,609,000
Property and equipment, net	3,547,000	3,636,000
Goodwill	55,000	55,000
Definite-lived intangible assets, net	117,000	135,000
Equity investments in and advances to unconsolidated affiliate	2,420,000	2,435,000
Total assets	\$37,430,000	\$36,870,000
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$717,000	\$702,000
Accrued liabilities	423,000	169,000
Total current liabilities	1,140,000	871,000
Deferred income taxes	862,000	823,000
Total liabilities	2,002,000	1,694,000
Shareholders' equity:		
Common stock, \$.01 par value: 50,000,000 shares authorized; 20,565,190 and 21,122,840 shares outstanding as of September 30, 2012 and December 31, 2011, respectively	206,000	211,000
Additional paid-in capital	21,646,000	22,248,000
Retained earnings	13,576,000	12,717,000
Total shareholders' equity	35,428,000	35,176,000
Total liabilities and shareholders' equity	\$37,430,000	\$36,870,000

(1)The condensed consolidated balance sheet as of December 31, 2011 has been prepared using information from the audited balance sheet as of that date.

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



Alpha Pro Tech, Ltd.

## Condensed Consolidated Statements of Income (Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Net sales	\$10,740,000	\$10,120,000	\$31,210,000	\$29,342,000
Cost of goods sold, excluding depreciation and amortization	6,942,000	6,449,000	20,135,000	18,528,000
Gross profit	3,798,000	3,671,000	11,075,000	10,814,000
Operating expenses:				
Selling, general and administrative	3,076,000	3,017,000	9,550,000	9,694,000
Depreciation and amortization	166,000	167,000	591,000	616,000
Total operating expenses	3,242,000	3,184,000	10,141,000	10,310,000
Income from operations	556,000	487,000	934,000	504,000
Other income (expense):				
Equity in income of unconsolidated affiliate	84,000	134,000	402,000	368,000