

SERVOTRONICS INC /DE/
Form 10-Q
November 14, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2014

or

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

Commission File No. 1-07109

SERVOTRONICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

16-0837866
(I. R. S. Employer
Identification No.)

1110 Maple Street
Elma, New York 14059
(Address of principal executive offices) (zip code)
(716) 655-5990
(Registrant's telephone number, including area code)

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) 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. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" 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

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

| Class | Outstanding at October 31, 2014 |
|-------------------------------|---------------------------------|
| Common Stock, \$.20 par value | 2,457,854 |

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SERVOTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(\$000's omitted except share and per share data)

| | September 30, 2014 (Unaudited) | December 31, 2013 |
|--|---|-------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$3,769 | \$4,502 |
| Accounts receivable, net | 5,739 | 4,990 |
| Inventories, net | 12,850 | 11,929 |
| Prepaid income taxes | 26 | 310 |
| Deferred income taxes | 2,589 | 747 |
| Other assets | 529 | 311 |
| Total current assets | 25,502 | 22,789 |
| Property, plant and equipment, net | 8,157 | 6,860 |
| Other non-current assets | 362 | 354 |
| Total Assets | \$ 34,021 | \$30,003 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Current portion of long-term debt | \$2,641 | \$2,641 |
| Demand note payable | 1,000 | - |
| Accounts payable | 1,496 | 1,216 |
| Accrued employee compensation and benefit costs | 1,640 | 1,612 |
| Accrued arbitration award and related liability | 5,419 | - |
| Other accrued liabilities | 522 | 297 |
| Total current liabilities | 12,718 | 5,766 |
| Long-term debt | 4 | 21 |
| Deferred income taxes | 482 | 482 |
| Commitments and contingencies (See Note 8) | - | - |
| Shareholders' equity: | | |
| Common stock, par value \$.20; authorized 4,000,000 shares; issued 2,614,506 shares; outstanding 2,262,061 (2,285,883 - 2013) shares | 523 | 523 |
| Capital in excess of par value | 14,056 | 14,024 |
| Retained earnings | 9,303 | 12,302 |
| Accumulated other comprehensive loss | (26) | (26) |

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| | | |
|---|-----------|-----------|
| Employee stock ownership trust commitment | (1,065) | (1,065) |
| Treasury stock, at cost 156,652 (137,830 - 2013) shares | (1,974) | (2,024) |
| Total shareholders' equity | 20,817 | 23,734 |
| Total Liabilities and Shareholders' Equity | \$ 34,021 | \$ 30,003 |

See notes to consolidated financial statements

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SERVOTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(\$000's omitted except per share data)