

Edgar Filing: MEASUREMENT SPECIALTIES INC - Form 8-K

MEASUREMENT SPECIALTIES INC

Form 8-K

December 13, 2002

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) OCTOBER 28, 2002

MEASUREMENT SPECIALTIES, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

NEW JERSEY

001-11906

22-2378738

-----  
(STATE OR OTHER JURISDICTION OF INCORPORATION)

-----  
(COMMISSION FILE NUMBER)

-----  
(IRS EMPLOYER  
IDENTIFICATION NO.)

710 ROUTE 46 EAST, SUITE 206

07004

-----  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

-----  
(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (973) 808-3020

80 LITTLE FALLS ROAD, FAIRFIELD, NEW JERSEY

07004

(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

ITEM 5. OTHER EVENTS.

As described in our Annual Report on Form 10-K for the fiscal year ended March 31, 2002 (the "2002 Annual Report") and our Quarterly Reports on Form 10-Q for the three months ended June 30, 2002 (the "First Quarter 10-Q") and the three months ended September 30, 2002 (the "Second Quarter 10-Q"), we have restated (i) our previously issued financial statements for the fiscal year ended March 31, 2001, and (ii) our previously issued financial results for each of the quarterly periods in the fiscal year ended March 31, 2001 and the first three quarters in the fiscal year ended March 31, 2002.

This Current Report on Form 8-K provides restated key financial information (unaudited) for each of the quarterly periods in the fiscal year ended March 31, 2001 and the first three quarters in the fiscal year ended March 31, 2002. This restated financial information is now the historical financial

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information of Measurement Specialties and supersedes the historical financial information included in our Quarterly Reports on Form 10-Q for each of the quarters in the fiscal year ended March 31, 2001 and the first three quarters in the fiscal year ended March 31, 2002.

The restated consolidated financial information for the quarterly periods in the fiscal year ended March 31, 2001 reflects the following adjustments:

- Correction of errors in our valuations of inventory and costs of sales;
- Reclassification of certain promotional costs from selling, general and administrative to a reduction in revenue;
- Acceleration of amortization of deferred financing costs relating to our bank loan;
- Expensing of unallocated acquisition costs;
- Straight-lining of lease expense in accordance with Statement of Financial Accounting Standards No. 13 "Accounting for Leases";
- Recomputation of our tax provision; and
- Certain other adjustments.

The restated consolidated financial information for the first three quarters in the fiscal year ended March 31, 2002 reflects adjustments related to the correction of errors in our valuations of inventory and costs of sales.

This Form 8-K should be read in conjunction with, and is subject to the more complete discussion of the restatement contained in, our other public filings with the Securities and Exchange Commission, including the 2002 Annual Report, First Quarter 10-Q and Second Quarter 10-Q.

QUARTERLY FINANCIAL INFORMATION  
(UNAUDITED)  
\$ IN THOUSANDS EXCEPT PER SHARE AMOUNTS

			2001 ----
OPERATIONS:	FIRST QUARTER ENDED JUNE 30	SECOND QUARTER ENDED SEPT. 30	THIRD QUAR ENDED DEC
-----	AS RESTATED	AS RESTATED	AS RESTAT
Net sales	\$ 15,991	\$ 28,062	\$ 33,8
Cost of goods sold	10,785	16,588	24,3
Gross profit	5,206	11,474	9,4
Operating expenses (income):			
Selling, general and administrative	6,273	7,842	7,4
Research and development	1,198	1,035	1,2
Customer funding of research and development	(775)	(1,023)	(6
Goodwill and other impairments	--	--	
Restructuring and other cost	--	--	
Total operating expenses	6,696	7,854	8,1
Operating income (loss)	(1,490)	3,620	1,3

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Interest expense, net	213	266	9
Other (income) expense	--	--	
	-----	-----	-----
	213	266	9
	-----	-----	-----
Income (loss) before provision (benefit) for income taxes and cumulative effect of accounting change	(1,703)	3,354	3
Provision (benefit) for income taxes		1,534	1
	-----	-----	-----
Income (loss) before cumulative effect of accounting change	(1,703)	1,820	2
Cumulative effect of accounting change, net of taxes		--	
	-----	-----	-----
Net income (loss)	\$ (1,703)	\$ 1,820	\$ 2
	=====	=====	=====
Earnings (loss) per common share - Basic Income (loss) before cumulative effect of accounting change	\$ (0.43)	\$ 0.23	\$ 0.
Cumulative effect of accounting change	--	--	
	-----	-----	-----
Net income (loss)	\$ (0.43)	\$ 0.23	\$ 0.
	=====	=====	=====
Earnings (loss) per common share - Diluted Income (loss) before cumulative effect of accounting change	\$ (0.43)	\$ 0.20	\$ 0.
Cumulative effect of accounting change	--	--	
	-----	-----	-----
Net income (loss)	\$ (0.43)	\$ 0.20	\$ 0.
	=====	=====	=====
Weighted average number of common and common equivalent shares outstanding:			
Basic	3,994	8,034	8,2
	=====	=====	=====
Diluted	3,994	8,932	9,0
	=====	=====	=====

	2002		
	-----	-----	-----
OPERATIONS:	FIRST QUARTER ENDED JUNE 30	SECOND QUARTER ENDED SEPT. 30	THIRD QUAR ENDED DEC
-----	-----	-----	-----
	AS RESTATED	AS RESTATED	AS RESTAT
Net sales	\$ 25,658	\$ 34,612	\$ 42,6
Cost of goods sold	19,153	26,877	31,1
	-----	-----	-----
Gross profit	6,505	7,735	11,4
	-----	-----	-----
Operating expenses (income):			
Selling, general and administrative	7,011	10,997	10,1
Research and development	1,259	2,021	1,6
Customer funding of research and development	(443)	(456)	(4
Goodwill and other impairments	--	--	7
Restructuring and other cost	--	--	
	-----	-----	-----

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Total operating expenses	7,827	12,562	12,1
Operating income (loss)	(1,322)	(4,827)	(7
Interest expense, net	1,002	978	6
Other (income) expense	(16)	58	6
	986	1,036	1,2
Income (loss) before provision (benefit) for income taxes and cumulative effect of accounting change	(2,308)	(5,863)	(1,9
Provision (benefit) for income taxes	(11)	(28)	(
Income (loss) before cumulative effect of accounting change	(2,297)	(5,835)	(1,9
Cumulative effect of accounting change, net of taxes	(248)	--	
Net income (loss)	\$ (2,545)	\$ (5,835)	\$ (1,9
Earnings (loss) per common share -			
Basic Income (loss) before cumulative effect of accounting change	\$ (0.27)	\$ (0.57)	\$ (0.
Cumulative effect of accounting change	(0.03)	--	
Net income (loss)	\$ (0.30)	\$ (0.57)	\$ (0.
Earnings (loss) per common share -			
Diluted Income (loss) before cumulative effect of accounting change	\$ (0.27)	\$ (0.57)	\$ (0.
Cumulative effect of accounting change	(0.03)	--	
Net income (loss)	\$ (0.30)	\$ (0.57)	\$ (0.
Weighted average number of common and common equivalent shares outstanding:			
Basic	8,423	10,272	11,5
Diluted	8,423	10,272	11,5

QUARTERLY FINANCIAL INFORMATION  
(UNAUDITED)  
\$ IN THOUSANDS EXCEPT PER SHARE AMOUNTS

CONDENSED FINANCIAL POSITION:	FIRST QUARTER JUNE 30 2000	SECOND QUARTER SEPT. 30, 2000	THIRD QUARTER DEC. 31, 2000
	AS RESTATED	AS RESTATED	AS RESTATED
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 622	\$ 1,496	\$ 1,203
Accounts receivable, trade, net	9,763	19,407	18,766
Inventories	9,282	17,426	18,184
Prepaid expenses and other current assets	2,157	4,234	3,441

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Total current assets	21,824	42,563	41,594
PROPERTY AND EQUIPMENT, NET	9,533	13,609	15,310
OTHER ASSETS:			
Goodwill, net	5,483	11,688	11,460
Trademarks	--	--	--
Other assets	3,268	5,361	6,165
	8,751	17,049	17,625
	\$ 40,108	\$ 73,221	\$ 74,529
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long term debt	\$ 11,975	\$ 34,068	\$ 33,605
Accounts payable	7,057	13,634	14,827
Accrued expenses and other current liabilities	6,995	8,809	9,183
Total current liabilities	26,027	56,511	57,615
OTHER LIABILITIES:			
Long term debt, net of current portion	--	--	--
Other liabilities	876	1,105	1,065
	876	1,105	1,065
Total liabilities	26,903	57,616	58,680
COMMITMENTS AND CONTINGENCIES			
SHAREHOLDERS' EQUITY			
Serial preferred stock;	--	--	--
Common stock, no par	5,502	5,502	5,502
Additional paid-in capital	2,143	2,723	2,754
Accumulated (deficit) retained earnings	5,561	7,381	7,594
Other comprehensive loss	(1)	(1)	(1)
Total shareholders' equity	13,205	15,605	15,849
	\$ 40,108	\$ 73,221	\$ 74,529
	=====	=====	=====

CONDENSED FINANCIAL POSITION:

SECOND QUARTER  
SEPT. 30, 2001

THIRD QUARTER  
DEC. 31, 2001

MARCH 31, 2002

AS RESTATED

AS RESTATED

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 1,295	\$ 1,114	\$ 4,542
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Accounts receivable, trade, net	26,384	28,175	19,914
Inventories	31,894	27,726	22,969
Prepaid expenses and other current assets	8,327	12,628	3,623
	-----	-----	-----
Total current assets	67,900	69,643	51,048
	-----	-----	-----
PROPERTY AND EQUIPMENT, NET	20,856	20,861	18,345
	-----	-----	-----
OTHER ASSETS:			
Goodwill, net	14,707	14,707	8,265
Trademarks	9,989	9,930	9,549
Other assets	1,347	1,327	2,405
	-----	-----	-----
	26,043	25,964	20,219
	-----	-----	-----
	\$ 114,799	\$ 116,468	\$ 89,612
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long term debt	\$ 35,864	\$ 37,171	\$ 32,758
Accounts payable	20,868	19,809	19,252
Accrued expenses and other current liabilities	9,449	11,181	9,357
	-----	-----	-----
Total current liabilities	66,181	68,161	61,367
	-----	-----	-----
OTHER LIABILITIES:			
Long term debt, net of current portion	--	--	249
Other liabilities	1,181	861	1,169
	-----	-----	-----
	1,181	861	1,418
	-----	-----	-----
Total liabilities	67,362	69,022	62,785
	-----	-----	-----
COMMITMENTS AND CONTINGENCIES			
SHAREHOLDERS' EQUITY			
Serial preferred stock;			
Common stock, no par	5,502	5,502	5,502
Additional paid-in capital	41,863	43,872	42,346
Accumulated (deficit) retained earnings	81	(1,899)	(20,586)
Other comprehensive loss	(9)	(29)	(435)
	-----	-----	-----
Total shareholders' equity	47,437	47,446	26,827
	-----	-----	-----
	\$ 114,799	\$ 116,468	\$ 89,612
	=====	=====	=====

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEASUREMENT SPECIALTIES, INC.

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Date: December 12, 2002

By: /s/ John P. Hopkins

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John P. Hopkins  
Chief Financial Officer