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GP STRATEGIES CORP
Form NT 10-K
March 17, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 12b - 25

NOTIFICATION OF LATE FILING

SEC FILE NUMBER
1-7234

CUSIP NUMBER
36225V 10 4

Form 10-K Form 20-F Form 11-K Form 10-Q Form 10-D
 Form N-SAR Form N-CSR

For Period Ended: December 31, 2004

Transition Report on Form 10-K
 Transition Report on Form 20-F
 Transition Report on Form 11-K
 Transition Report on Form 10-Q
 Transition Report on Form N-SAR For the Transition Period Ended:

Nothing in this form shall be construed to imply that the Commission has verified any information contained herein.

If the notification relates to a portion of the filing checked above, identify the Item(s) to which the notification relates:

Part I - REGISTRANT INFORMATION

Full Name of Registrant: GP STRATEGIES CORPORATION

Former Name if Applicable:

Address of Principal Executive Office (Street and Number): 777 Westchester Avenue

City, State and Zip Code: White Plains, NY 10604

Part II - RULES 12b-25(b) and (c)

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12(b)-25(b) the following should be completed. (Check box if appropriate)

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(a) The reasons described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense;

(b) The subject annual report, semi-annual report, transition report on Form 10-K, Form 20-F, 11-K, Form N-SAR or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report or transition report on Form 10-Q or subject distribution report on Form

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10-D, or portion thereof, will be filed on or before the fifth calendar day following the prescribed due date; and

(c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

Part III - NARRATIVE

State below in reasonable detail the reason why Forms 10-K, 20-F, 11-K, 10-Q, 10-D, N-SAR, N-CSR, or the transition report or portion thereof, could not be filed within the prescribed time period.

The Registrant cannot file its report on Form 10-K for the year ended December 31, 2004 without unreasonable effort or expense because an unexpected significant large portion of the time and effort of its financial reporting personnel has been devoted to the preparation of the required disclosures related to the evaluation and assessment of the Registrant's internal controls over financial reporting as of December 31, 2004.

Part IV - OTHER INFORMATION

(1) Name and telephone number of person to contact in regard to this notification:

----- Andrea D. Kantor -----	----- 914 -----	----- 249-9716 -----
Name	Area Code	Telephone Number

- (2) Have all other periodic reports required under section 13 or 15(d) of the Securities Exchange Act of 1934 or section 30 of the Investment Company Act of 1940 during the preceding 12 months or for such shorter period that the registrant was required to file such report(s) been filed? If the answer is no, identify reports. [] Yes [] No
- (3) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof? [] Yes [] No

If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of these results cannot be made.

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On March 16, 2005 the Registrant filed a Form 8-K announcing the issuance of the following earnings press release containing its financial results for the quarter and year ended December 31, 2004:

In the fourth quarter of 2004, revenue at GP Strategies increased by \$12.8 million to \$52.7 million, as compared to revenue of \$39.9 million in the fourth quarter of 2003. This increase is primarily attributable to the \$12.0 million revenue increase at General Physics.

In the fourth quarter of 2004, General Physics' revenue increased by \$12.0 million or 35% to \$45.8 million, as compared to revenue of \$33.8 million in the fourth quarter of 2003. General Physics recognized approximately \$3.0 million in revenue in the fourth quarter of 2004 from disaster relief services in the aftermath of the Florida hurricanes.

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For the quarter ended December 31, 2004, income from continuing operations was \$21.6 million as compared to a loss of \$2.0 million for the quarter ended December 31, 2003. The improvement was primarily due to increased profitability at General Physics; a \$13.7 million gain on an arbitration award, net of fees, related to the Company's dispute with Electronic Data Systems Corporation; and an income tax benefit of \$9.2 million, related to the recognition of approximately \$15.0 million of net deferred tax assets in the fourth quarter of 2004. Diluted income (loss) from continuing operations per common share was \$1.15 for the quarter ended December 31, 2004 as compared to a loss of \$(0.11) for the quarter ended December 31, 2003.

For the year ended December 31, 2004, revenue increased by \$54.0 million to \$194.0 million, as compared to revenue of \$140.0 million in the prior year. This 39% increase in revenue is primarily attributable to the increase in revenue at General Physics and to the consolidation of the results of operations of GSE for all of 2004 compared to only the fourth quarter of 2003. Prior to October 2003, the Company accounted for its investment in GSE using the equity method.

General Physics' revenue increased by \$31.1 million or 23% for the year ended December 31, 2004 to \$165.1 million, as compared to revenue of \$134.0 million in the prior year. Consolidated revenue of GSE for the year ended December 31, 2004 aggregated \$28.9 million, as compared to \$6.1 million for the year ended December 31, 2003.

For the year ended December 31, 2004, income from continuing operations was \$22.4 million as compared to a loss of \$8.1 million in the prior year. The improvement was primarily due to increased profitability at General Physics; a \$13.7 million gain on an arbitration award, net of fees and an income tax benefit of \$8.0 million. Diluted income (loss) from continuing operations per common share was \$1.23 for the year ended December 31, 2004 as compared with a loss of \$(0.47) in the prior year

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The following table summarizes the revenue of GP Strategies Corporation, by reporting segment, and the consolidated results of their operations for the quarters and years ended December 31, 2004 and 2003. As previously announced, GP Strategies Corporation ("the Company" or "GP Strategies") completed the spin-off of National Patent Development Corporation ("NPDC") on November 24, 2004. Subsequent to the spin-off, the Company's operations consist of General Physics Corporation ("General Physics") and GSE Systems, Inc. ("GSE") a majority-owned subsidiary and the Company ceased to have ownership interest in NPDC. The operations of NPDC, which included Five Star Products, Inc and MXL Industries, Inc., have been reclassified to discontinued operations for all periods presented.

(Unaudited - in thousands):

Quarters Ended
December 31,

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	2004 ----	2003 ----
Revenue		
General Physics	\$45,803	\$33,805
GSE	6,858	6,059
	-----	-----
	\$52,661	\$39,864
	-----	-----
Revenue	\$52,661	\$39,864
Cost of revenue	(45,689)	(34,268)
	-----	-----
Gross profit	6,972	5,596
Selling, general & administrative expenses	(5,129)	(4,943)
Executive bonus compensation	(2,978)	(2,000)
	-----	-----
Operating income (loss)	(1,135)	(1,347)
Interest expense	(479)	(721)
Other income (expense)	234	(184)
Gain on arbitration award, net of legal fees	13,660	--
Gains on sales of marketable securities, net	--	161
Valuation adjustment of liability for warrants	--	272
	-----	-----
Income (loss) before income tax (expense) benefit and minority interests	12,280	(1,819)
Income tax (expense) benefit	9,213	(194)
	-----	-----
Income (loss) before minority interests	21,493	(2,013)
Minority interests	97	60
	-----	-----
Income (loss) from continuing operations	21,590	(1,953)
Income (loss) from discontinued operations, net of income tax (expense) benefit	(23)	93
	-----	-----
Net income (loss)	\$21,567	\$ (1,860)
	=====	=====
	=====	=====
Per common share data:		
Basic		
Income (loss) from continuing operations	\$ 1.21	\$ (.11)
Income (loss) from discontinued operations	--	.01
Net income (loss)	\$ 1.21	\$ (.10)
Diluted		
Income (loss) from continuing operations	\$ 1.15	\$ (.11)
Income (loss) from discontinued operations	--	.01
Net income (loss)	\$ 1.15	\$ (.10)

(1) Prior to October 2003, the Company accounted for its investment in GSE using the equity method.

The following table summarizes the condensed consolidated balance sheet data of GP Strategies Corporation, as of December 31, 2004 and 2003. On November 24, 2004, the Company distributed net assets of \$26.0 million to NPDC in connection with its spin-off.

(Unaudited - in thousands):

Current assets:

Cash and cash equivalents
 Cash held in escrow from arbitration
 Accounts and other receivables
 Costs and estimated earnings in excess of billings on uncompleted contracts
 Inventories
 Prepaid expenses and other current assets

Total current assets
 Property, plant and equipment, net
 Goodwill and other intangibles
 Other assets

Total assets

Current liabilities:

Current maturities of long-term debt
 Short-term borrowings
 Accounts payable and accrued expenses
 Billings in excess of costs and estimated earnings on uncompleted contracts

Total current liabilities
 Long-term debt less current maturities
 Other non-current liabilities

Total liabilities
 Minority interests
 Total stockholders equity

Total liabilities and stockholders' equity

GP STRATEGIES CORPORATION
(Name of Registrant as specified in charter)

has caused this notification to be signed on its behalf by the undersigned thereunto duly authorized.

Date: March 17, 2005

President and Chief Financial Officer