

TSR INC
Form 10-Q
January 07, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the period ended November 30, 2010

or

Transition report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 0-8656

TSR, Inc.

(Exact name of registrant as specified in its charter)

Delaware

13-2635899

(State or other jurisdiction of
Incorporation or organization)

(I.R.S. Employer Identification No.)

400 Oser Avenue, Hauppauge, NY 11788

(Address of principal executive offices)

631-231-0333

(Registrant's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

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 website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the

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preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes No
(Registrant not subject to requirement)

Indicate by check mark whether the registrant is large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer
Non-Accelerated filer Smaller Reporting Company
(Do not check if a 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

As of December 31, 2010, there were 2,019,091 shares of common stock, par value \$.01 per share, issued and outstanding.

TSR, INC. AND SUBSIDIARIES
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Part I. Financial Information

Item 1. Financial Statements

TSR, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	November 30, 2010 (Unaudited)	May 31, 2010 (Note 1)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$3,250,275	\$5,669,972
Certificates of deposit and marketable securities	4,114,665	3,015,389
Accounts receivable, net of allowance for doubtful accounts of \$202,000	8,393,551	6,507,741
Other receivables	4,504	3,957
Prepaid expenses	37,677	94,604
Prepaid and recoverable income taxes	31,450	115,721
Deferred income taxes	90,000	90,000
Total Current Assets	15,922,122	15,497,384
Equipment and leasehold improvements, net of accumulated depreciation and amortization of \$430,855 and \$427,804	8,901	9,558
Other assets	49,653	49,653
Deferred income taxes	52,000	55,000
Total Assets	\$16,032,676	\$15,611,595
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts and other payables	\$250,458	\$259,448
Accrued expenses and other current liabilities	1,596,378	1,291,160
Advances from customers	1,432,740	1,491,490
Total Current Liabilities	3,279,576	3,042,098
Equity:		
Preferred stock, \$1 par value, authorized 500,000 shares; none issued	—	—
Common stock, \$.01 par value, authorized 12,500,000 shares; issued 3,114,163 shares, 2,019,094 and 2,024,794 outstanding	31,142	31,142
Additional paid-in capital	5,102,868	5,102,868
Retained earnings	20,833,163	20,661,190
	25,967,173	25,795,200
Less: Treasury stock, 1,095,069 and 1,089,369 shares, at cost	13,279,249	13,253,523
Total TSR, Inc. Equity	12,687,924	12,541,677
Noncontrolling Interest	65,176	27,820
Total Equity	12,753,100	12,569,497
Total Liabilities and Equity	\$16,032,676	\$15,611,595

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

TSR, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 For The Three Months and Six Months Ended November 30, 2010 and 2009
 (UNAUDITED)

	Three Months Ended November 30,		Six Months Ended November 30,	
	2010	2009	2010	2009
Revenue, net	\$ 9,756,983	\$ 9,340,341	\$ 19,120,876	\$ 18,432,643
Cost of sales	7,853,945	7,654,462	15,510,435	15,100,963
Selling, general and administrative expenses	1,611,636	1,516,003	3,248,141	3,042,045
	9,465,581	9,170,465	18,758,576	18,143,008
Income from operations	291,402	169,876	362,300	289,635
Other income (expense):				
Interest and dividend income	5,459	14,176	11,239	32,472
Unrealized gain (loss) on marketable securities, net	2,794	(896)	(210)	2,784
Income before income taxes	299,655	183,156	373,329	324,891
Provision for income taxes	124,000	82,000	157,000	141,000
Consolidated net income	175,655	101,156	216,329	183,891
Less: Net income attributable to noncontrolling interest	(25,244)	(21,463)	(44,356)	(40,820)
Net income attributable to TSR, Inc.	\$ 150,411	\$ 79,693	\$ 171,973	\$ 143,071
Basic and diluted net income per TSR, Inc. common share	\$ 0.07	\$ 0.04	\$ 0.09	\$ 0.07
Weighted average number of basic and diluted common shares outstanding	2,019,094	2,025,244	2,020,117	2,025,244

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

TSR, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

For The Six Months Ended November 30, 2010 and 2009

(UNAUDITED)

	Shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Non- controlling Interest	Total equity
Balance at May 31, 2009	6,228,326	\$ 62,283	\$ 5,071,727	\$ 20,517,707	\$ (13,251,231)	\$ 17,636	\$ 12,418,122
Reverse stock split 1:2	(3,114,163)	(31,141)	31,141	—	—	—	—
Adjusted May 31, 2009	3,114,163	31,142	5,102,868	20,517,707	(13,251,231)	17,636	12,418,122
Net income attributable to noncontrolling interest	—	—	—	—	—	40,820	40,820
Distribution to noncontrolling interest	—	—	—	—	—	(6,000)	(6,000)
Net income attributable to TSR, Inc.	—	—	—	143,071	—	—	143,071
Balance at November 30, 2009	3,114,163	\$ 31,142	\$ 5,102,868	\$ 20,660,778	\$ (13,251,231)	\$ 52,456	\$ 12,596,013
Balance at May 31, 2010	6,228,326	\$ 62,283	\$ 5,071,727	\$ 20,661,190	\$ (13,253,523)	\$ 27,820	\$ 12,569,497
Reverse stock split 1:2	(3,114,163)	(31,141)	31,141	—	—	—	—
Adjusted May 31, 2010	3,114,163	31,142	5,102,868	20,661,190	(13,253,523)	27,820	12,569,497
Net income attributable to noncontrolling interest	—	—	—	—	—	44,356	44,356
Distribution to noncontrolling interest	—	—	—	—	—	(7,000)	(7,000)