

ADVANTAGE TECHNOLOGIES GROUP INC

Form 10-Q

May 14, 2013

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 March 31, 2013

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 1-10799

ADDvantage Technologies Group, Inc.
(Exact name of registrant as specified in its charter)

OKLAHOMA 73-1351610
(State or other jurisdiction of incorporation or (I.R.S. Employer Identification No.)
organization)

1221 E. Houston
Broken Arrow, Oklahoma 74012
(Address of principal executive office)
(918) 251-9121
(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 (Section 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 ☐

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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 ☐ (do not check if a smaller reporting
company) 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 ☒

Shares outstanding of the issuer's \$.01 par value common stock as of
April 30, 2013 were
9,998,480.

ADVANTAGE TECHNOLOGIES GROUP, INC.
Form 10-Q
For the Period Ended March 31, 2013

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ADVANTAGE TECHNOLOGIES GROUP, INC.
CONSOLIDATED BALANCE SHEETS

	March 31, 2013 (unaudited)	September 30, 2012 (audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,538,630	\$ 5,191,514
Accounts receivable, net of allowance of \$300,000	3,391,557	3,050,796
Income tax refund receivable	24,179	409,386
Inventories, net of allowance for excess and obsolete inventory of \$1,320,000 and \$1,000,000, respectively	21,538,953	22,666,385
Prepaid expenses	220,233	129,357
Deferred income taxes	919,000	920,000
Total current assets	33,632,552	32,367,438
Property and equipment, at cost:		
Land and buildings	8,794,272	8,794,272
Machinery and equipment	2,977,279	2,953,949
Leasehold improvements	9,633	9,633
Total property and equipment, at cost	11,781,184	11,757,854
Less accumulated depreciation and amortization	(3,817,842)	(3,666,327)
Net property and equipment	7,963,342	8,091,527
Other assets:		
Goodwill	1,560,183	1,560,183
Other assets	11,428	13,778
Total other assets	1,571,611	1,573,961
Total assets	\$ 43,167,505	\$ 42,032,926

See notes to unaudited consolidated financial statements.

ADVANTAGE TECHNOLOGIES GROUP, INC.
CONSOLIDATED BALANCE SHEETS

	March 31, 2013 (unaudited)	September 30, 2012 (audited)
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$2,030,822	\$1,437,492
Accrued expenses	881,533	1,030,174
Notes payable – current portion	184,008	184,008
Total current liabilities	3,096,363	2,651,674
Notes payable, less current portion	1,410,608	1,502,612
Deferred income taxes	109,000	62,000
Shareholders' equity:		
Common stock, \$.01 par value; 30,000,000 shares authorized; 10,499,138 and 10,465,323 shares issued, respectively; and 9,998,480 and 10,189,120 shares outstanding, respectively	104,991	104,653
Paid in capital	(5,627,759)	(5,748,503)
Retained earnings	45,074,316	43,980,590
Total shareholders' equity before treasury stock	39,551,548	38,336,740
Less: Treasury stock, 500,658 and 276,203 shares, respectively, at cost	(1,000,014)	(520,100)
Total shareholders' equity	38,551,534	37,816,640
Total liabilities and shareholders' equity	\$43,167,505	\$42,032,926

See notes to unaudited consolidated financial statements.

ADVANTAGE TECHNOLOGIES GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2013	2012	2013	2012
Sales:				
Net new sales income	\$4,905,471	\$5,854,479	\$10,504,369	\$11,161,940
Net refurbished sales income	2,375,450	2,366,833		