

Edgar Filing: ADM TRONICS UNLIMITED INC/DE - Form 10QSB

ADM TRONICS UNLIMITED INC/DE
Form 10QSB
August 12, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended June 30, 2003

OR

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

For the transition period from _____ to _____

Commission File No. 0-17629

ADM TRONICS UNLIMITED, INC.

(Name of Small Business Issuer in its Charter)

Delaware 22-1896032
(State or Other Jurisdiction (I.R.S. Employer Identifi-
of Incorporation or Organization) cation Number)

224-S Pegasus Ave., Northvale, New Jersey 07647
(Address of Principal Executive Offices)

Issuer's Telephone Number, including area code: (201) 767-6040

Check whether the Issuer (1) has filed all reports required to be filed by
Section 13 or 15(d) of the Exchange Act during the past 12 months (or for
Such shorter period that the Issuer was required to file such reports),
And (2) has been subject to the filing requirements for the past 90 days:

YES X NO _____

State the number of shares outstanding of each of the Issuer's classes of
common equity, as of the latest practicable date:

50,382,037 shares of Common Stock, \$.0005 par value,
as of August 8, 2003

Edgar Filing: ADM TRONICS UNLIMITED INC/DE - Form 10QSB

INDEX

Page Number

Part I. Financial Information

Item 1. Consolidated Financial Statements:

Consolidated Balance Sheets - June 30, 2003 and March 31, 2003	3
Consolidated Statements of Operations - For the three months ended June 30, 2003 and 2002	4
Consolidated Statement of Changes in Stockholders' Equity - For the three months ended June 30, 2003	4
Consolidated Statements of Cash Flows - For the three months ended June 30, 2003 and 2002	5
Notes to Consolidated Financial Statements	6

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	6
--------------------------------------------------------------------------------------------------	---

CERTIFICATION OF PERIODIC REPORT

I, Andre' Di Mino, President of ADM Tronics Unlimited, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Quarterly Report on Form 10-QSB of the Company for the quarterly period ended June 30, 2003 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 12, 2003

/s/ Andre' Di Mino
Andre' Di Mino
President

2

ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

	JUNE 30, 2003	MARCH 31, 2002
Assets		

Edgar Filing: ADM TRONICS UNLIMITED INC/DE - Form 10QSB

Current assets:

Cash and cash equivalents	\$ 33,265	\$ 49,765
Accounts receivable--trade, less allowance for doubtful accounts of \$39,000	100,888	75,622
Inventories:		
Raw materials and supplies	164,500	201,409
Finished goods	44,697	46,928
Equipment held for sale	389,450	404,771
Other current assets	57,348	57,348
 Total current assets	 790,148	 835,843

Property and equipment, at cost net of Accumulated depreciation of \$416,785 and \$443,184, respectively	16,543	24,155
----------------------------------------------------------------------------------------------------------------	--------	--------

Equipment in use and under lease agreements - at cost net of accumulated depreciation of \$423,604 and \$631,365, respectively	291,930	306,860
--------------------------------------------------------------------------------------------------------------------------------------	---------	---------

Loan receivable from officer, bearing interest at 3% per annum, unsecured	49,188	49,891
Other assets	94,128	95,621

Total assets	\$1,241,937	\$1,312,370
--------------	-------------	-------------

Liabilities and stockholders equity:

Current liabilities:

Accounts payable-trade	\$ 195,760	\$ 200,631
Accrued expenses	41,507	59,579
 Total current liabilities	 237,267	 260,210

Notes payable - long-term portion	135,000	135,000
-----------------------------------	---------	---------

Stockholders' equity	869,670	917,160
----------------------	---------	---------

Total liabilities and stockholders' equity	\$1,241,937	\$1,312,370
-----------------------------------------------	-------------	-------------

See accompanying notes to consolidated financial statements.

ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	THREE MONTHS ENDED	
	June 30,	
	2003	2002
Revenues	\$ 272,308	\$ 253,610
Costs and expenses:		
Cost of sales	159,253	78,635
Selling, general and		

Edgar Filing: ADM TRONICS UNLIMITED INC/DE - Form 10QSB

administrative	160,632	248,977
Total costs and expenses	319,885	327,612
Operating loss	\$ (47,577)	\$ (74,002)
Other income:		
Interest and other income	87	5,893
Net loss	\$ (47,490)	\$ (68,109)
Weighted average number of common shares outstanding	50,382,037	47,382,037
Net loss per share	(0.001)	(0.001)

ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED JUNE 30, 2003

	Preferred Shares 5,000,000 Authorized \$.01 Par Value	Common Shares 150,000,000 Authorized \$.0005 Par Value	Par Value	Capital in excess of Par Value	Accumulated Deficit	Total
Balances - March 31, 2003	-	50,382,037	\$25,191	\$6,792,118	\$(5,900,149)	\$917,160
Net loss for The period ended June 30, 2003					(47,490)	(47,490)
Balances - June 30, 2003	-	50,382,037	\$25,191	\$6,792,118	\$(5,947,639)	\$869,670

See accompanying notes to consolidated financial statements.

4

ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	THREE MONTHS ENDED JUNE 30,	
	2003	2002
Cash flows from Operating activities:		
Net loss	(47,490)	(68,109)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	7,612	46,169
Changes in operating assets and liabilities:		
Accounts receivable--trade	(23,970)	1,834
Inventories	40,021	23,670
Equipment in use or under lease	14,930	-
Equipment held for sale	15,321	368

Edgar Filing: ADM TRONICS UNLIMITED INC/DE - Form 10QSB

Other assets	2,158	11,272
Accounts payable--trade	(10,691)	14,465
Accrued expenses and other	(14,391)	(34,513)
 Net cash flows used in operating activities	 (16,500)	 (4,844)
 Cash flows from Investing activities:		
Repayments of loans by officer	-	1,300
 Cash flows from Financing activities:	 -	 -
 Net change in cash and cash equivalents	 (16,500)	 (3,544)
Cash and cash equivalents--beginning of year	49,765	51,565
Cash and cash equivalents--end of period	33,265	48,021
 Supplemental disclosures:		
Interest paid	-	3,151
Income taxes paid	-	2,266

See accompanying notes to consolidated financial statements.

5

ADM TRONICS UNLIMITED, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1-Basis of Presentation:

The consolidated balance sheet at the end of the preceding fiscal year has been derived from the audited consolidated balance sheet contained in the Company's annual report on Form 10-KSB for the fiscal year ended March 31, 2003 (the "Form 10-KSB") and is presented for comparative purposes. All other financial statements are unaudited. In the opinion of management, all adjustments which include only normal recurring adjustments necessary to present fairly the financial position, results of operations and changes in financial positions for all periods presented have been made. The results of operations for interim periods are not necessarily indicative of the operating results for the full year.

Footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted in accordance with the published rules and regulations of the Securities and Exchange Commission. These consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Form 10-KSB.

Edgar Filing: ADM TRONICS UNLIMITED INC/DE - Form 10QSB

Note 2. Segment Information

Information about segment information is as follows:

Three Months Ended June 30, 2003:	Chemical	Medical	Total
Revenues from external customers	241,217	31,091	272,308
Segment profit (loss)	(23,349)	(24,395)	(47,490)

Three Months Ended June 30, 2002:			
Revenues from external customers	236,055	17,554	253,610
Segment profit (loss)	(8,676)	(65,326)	(68,109)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

At June 30, 2003 the Company had cash and equivalents of \$33,265 as compared to \$49,765 at March 31, 2003. This decrease was the result of net cash flows used in operations.

Operating Activities

Net cash flows used in operating activities were \$16,500 for the three months ended June 30, 2003 as compared to net cash flows used in operating activities of \$4,844 for the quarter ended June 30, 2002. This increase in cash used was due to the loss of \$47,490 and \$25,082 in accounts payable and accrued expenses offset by \$7,612 in depreciation, \$40,021 in inventories and \$32,409 in equipment and other assets for the quarter ended June 30, 2003.

6

Investing Activities

There were no investing activities for the quarter ended June 30, 2003.

Financing Activities

There were no financing activities for the quarter ended June 30, 2002

The Company does not have any material external sources of liquidity or unused sources of funds.

Results of Operations

Quarter Ended June 30, 2003

Revenues

Revenues were \$272,308 in 2003 as compared to \$253,610 in 2002 representing an increase of \$18,698 or 7%. Revenues from the Company's medical electronics activities decreased \$182,117, primarily due to reductions in contract manufacturing offset by an increase in chemical revenues of \$68,501.

Gross Profit

Gross profit of \$113,055 in 2003 was \$61,940 or 35% below the gross profit of \$174,995 in 2002. Gross profit was 42% of revenues in 2003 as compared with 69% of revenues in 2002. The decrease in gross profit margin was primarily due to the product mix of sales with higher sales of products with a lower

Edgar Filing: ADM TRONICS UNLIMITED INC/DE - Form 10QSB

gross margin.

Operating Loss

Operating loss in 2003 was (\$47,577) compared to (\$74,002) in 2002. Selling, general and administrative expenses decreased by \$88,345 primarily due to a reduction in operating expenditures and reduced overhead costs.

Other Income

Other income in 2003 was \$87 as compared to \$5,893 in 2002. The decrease was due to reduced interest income from reduced rates and reduced amounts invested.

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, thereunto duly authorized.

ADM Tronics Unlimited, Inc.

By:\s\ Andre' DiMino
Andre' DiMino
President

Dated: Northvale, New Jersey
August 12, 2003