

TSR INC  
Form 10-Q  
January 09, 2015

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, 2014

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  
(State or other jurisdiction of  
Incorporation or organization)

13-2635899  
(I.R.S. Employer  
Identification No.)

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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 preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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 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 (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

As of December 31, 2014, there were 1,962,062 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, 2014 (Unaudited)	May 31, 2014 (see Note 1)
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 4,009,427	\$ 2,841,967
Certificates of deposit and marketable securities	1,023,800	1,514,856
Accounts receivable, net of allowance for doubtful accounts of \$193,000	8,507,411	8,790,338
Other receivables	1,674	9,330
Prepaid expenses	142,878	74,188
Prepaid and recoverable income taxes	31,357	32,159
Deferred income taxes	86,000	86,000
Total Current Assets	13,802,547	13,348,838
Equipment and leasehold improvements, net of accumulated depreciation and amortization of \$254,967 and \$245,482	33,947	34,095
Other assets	49,653	49,653
Deferred income taxes	9,000	130,000
Total Assets	\$ 13,895,147	\$ 13,562,586
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Accounts and other payables	\$ 1,205,230	\$ 929,404
Accrued expenses and other current liabilities	2,168,976	2,221,158
Advances from customers	1,390,387	1,491,946
Total Liabilities	4,764,593	4,642,508
Commitments and contingencies		
Equity:		
TSR, Inc.:		
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, 1,962,062 outstanding	31,142	31,142
Additional paid-in capital	5,102,868	5,102,868

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Retained earnings	17,385,522	17,219,947
	22,519,532	22,353,957
Less: Treasury stock, 1,152,101 shares, at cost	13,514,003	13,514,003
Total TSR, Inc. Equity	9,005,529	8,839,954
Noncontrolling Interest	125,025	80,124
Total Equity	9,130,554	8,920,078
Total Liabilities and Equity	\$ 13,895,147	\$ 13,562,586

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

## TSR, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

For The Three and Six Months Ended November 30, 2014 and 2013

(UNAUDITED)

	Three Months Ended November 30,		Six Months Ended November 30,	
	2014	2013	2014	2013
Revenue, net	\$14,533,801	\$12,166,435	\$28,219,614	\$24,253,132
Cost of sales	12,079,456	10,100,751	23,466,090	20,089,600
Selling, general and administrative expenses	2,179,677	1,979,938	4,406,089	4,019,367
	14,259,133	12,080,689	27,872,179	24,108,967
Income from operations	274,668	85,746	347,435	144,165
Other income (expense):				
Interest and dividend income	1,237	1,429	2,891	3,133
Unrealized gain (loss) on marketable securities, net	1,864	1,488	7,944	(352 )
Income before income taxes	277,769	88,663	358,270	146,946
Provision for income taxes	110,000	36,000	144,000	56,000
Consolidated net income	167,769	52,663	214,270	90,946
Less: net income attributable to noncontrolling interest	(26,786 )	(20,460 )	(48,695 )	(47,825 )
Net income attributable to TSR, Inc.	\$140,983	\$32,203	\$165,575	\$43,121
Net income per TSR, Inc. common share	\$0.07	\$0.02	\$0.08	\$0.02
Weighted average number common shares outstanding	1,962,062	1,962,062	1,962,062	1,962,062

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, 2014 and 2013

(UNAUDITED)

	Shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	TSR, Inc. equity	Non- controlling interest	Total equity
Balance at May 31, 2013	3,114,163	\$31,142	\$5,102,868	\$17,305,883	\$(13,514,003)	\$8,925,890	\$3,447	\$8,929,337
Net income attributable to noncontrolling interest	-	-	-	-	-	-	47,825	47,825
Distribution to noncontrolling interest	-	-	-	-	-	-	(6,232 )	(6,232 )
Net income attributable to TSR, Inc.	-	-	-	43,121	-	43,121	-	43,121
Balance at November 30, 2013	3,114,163	\$31,142	\$5,102,868	\$17,349,004	\$(13,514,003)	\$8,969,011	\$45,040	\$9,014,051
Balance at May 31, 2014	3,114,163	\$31,142	\$5,102,868	\$17,219,947	\$(13,514,003)	\$8,839,954	\$80,124	\$8,920,078
Net income attributable to noncontrolling interest	-	-	-	-	-	-	48,695	48,695
Distribution to noncontrolling interest	-	-	-	-	-	-	(3,794 )	(3,794 )
Net income attributable to TSR, Inc.	-	-	-	165,575	-	165,575	-	165,575
Balance at November 30, 2014	3,114,163	\$31,142	\$5,102,868	\$17,385,522	\$(13,514,003)	\$9,005,529	\$125,025	\$9,130,554

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

TSR, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For The Six Months Ended November 30, 2014 and 2013

(UNAUDITED)

	Six Months Ended November 30,	
	2014	2013
Cash flows from operating activities:		
Consolidated net income	\$214,270	\$90,946