

VLPS LIGHTING SERVICES INTERNATIONAL INC
Form 10-Q
August 13, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2003

COMMISSION FILE NUMBER: 0-23159

VLPS Lighting Services International, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

75-2239444

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

8617 Ambassador Row, Suite 120, Dallas, Texas

(Address of principal executive offices)

75247

(Zip Code)

Registrant's telephone number including area code: **(214) 630-1963**

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

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Indicate the number of shares outstanding of each of the Issuer's classes of common stock, as of the latest practicable date: As of August 11, 2003, there were 7,455,103 shares of Common Stock outstanding.

VLPS LIGHTING SERVICES INTERNATIONAL, INC.

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FOR THE QUARTER ENDED JUNE 30, 2003

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VLPS LIGHTING SERVICES INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands except share data)

ASSETS

	September 30, 2002	June 30, 2003
CURRENT ASSETS:		
Cash	\$ 2,296	\$ 4,873
Receivables, less allowance for doubtful accounts of \$827 and \$572	7,016	7,780
Inventory	722	1,004
Prepaid expense and other current assets	1,306	1,950
Assets held for sale (Note 1)	13,097	
TOTAL CURRENT ASSETS	24,437	15,607
EQUIPMENT AND OTHER PROPERTY:		
Lighting and sound equipment	101,372	108,158
Machinery and tools	1,169	1,216
Furniture and fixtures	864	954
Office and computer equipment	3,355	3,867
	106,760	114,195
Less accumulated depreciation and amortization	67,477	75,343
	39,283	38,852
OTHER ASSETS	580	368
TOTAL ASSETS	\$ 64,300	\$ 54,827

LIABILITIES AND STOCKHOLDERS EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 3,709	\$ 6,496
Accrued liabilities	2,500	3,429
Unearned revenue	1,632	1,972
Income taxes payable	329	310

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Current portion of long-term obligations	14,003	2,268
Liabilities held for sale (Note 1)	2,068	
TOTAL CURRENT LIABILITIES	24,241	14,475
LONG-TERM OBLIGATIONS	6,801	5,659
DEFERRED INCOME TAXES		103
TOTAL LIABILITIES	31,042	20,237
COMMITMENTS AND CONTINGENCIES (Note 4)		
STOCKHOLDERS EQUITY:		
Preferred Stock, \$0.10 par value (10,000,000 shares authorized; no shares issued)		
Common Stock, \$0.10 par value (40,000,000 shares authorized; 7,845,167 shares issued; 7,800,003 and 7,455,103 shares outstanding as of September 30, 2002 and June 30, 2003, respectively)	785	785
Treasury Stock	(186)	(617)
Additional paid-in capital	25,026	25,026
Accumulated other comprehensive income - foreign currency translation adjustment	1,058	1,366
Retained earnings	6,575	8,030
TOTAL STOCKHOLDERS EQUITY	33,258	34,590
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 64,300	\$ 54,827

See notes to condensed consolidated financial statements.

VLPS LIGHTING SERVICES INTERNATIONAL, INC. AND SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE
INCOME (LOSS)**

For the Three Months Ended June 30, 2002 and 2003

(Unaudited)

(In thousands except share data)

	2002	2003
Rental revenues	\$ 10,007	\$ 13,469
Product sales and services revenues	1,262	2,204
TOTAL REVENUES	11,269	15,673
Rental cost	5,496	6,253
Product sales and services cost	1,031	1,576
TOTAL COST OF SALES	6,527	7,829
GROSS PROFIT	4,742	7,844
Selling, general and administrative expense	5,586	5,323
Research and development expense	265	216
Write off of receivables related to premiums paid under split-dollar life insurance policies	1,348	
TOTAL OPERATING EXPENSES	7,199	5,539
OPERATING INCOME (LOSS)	(2,457)	2,305
Interest expense (net)	345	148
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(2,802)	2,157
Income tax expense	618	438