

RCM TECHNOLOGIES INC
Form 10-Q
May 02, 2012

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, 2012

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: 1-10245

RCM TECHNOLOGIES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Nevada 95--1480559
(State or other Jurisdiction of (I.R.S. Employer Identification No.)
Incorporation)

2500 McClellan Avenue, Suite 350, Pennsauken, New Jersey 08109-4613
(Address of Principal Executive Offices) (Zip Code)

(856) 356-4500
(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 (§ 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

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). (Check one):

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Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer	Smaller Reporting Company
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> (Do not check if a smaller reporting company)	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES NO

Indicate the number of shares outstanding of the Registrant's class of common stock, as of the latest practicable date.

Common Stock, \$0.05 par value, 12,712,272 shares outstanding as of May 1, 2012.

RCM TECHNOLOGIES, INC. AND SUBSIDIARIES

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ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

RCM TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

March 31, 2012 and December 31, 2011

(In thousands, except share and per share amounts)

	March 31, 2012 (Unaudited)	December 31, 2011
Current assets:		
Cash and cash equivalents	\$31,478	\$28,417
Accounts receivable, net	39,787	39,031
Transit accounts receivable	1,159	3,029
Prepaid expenses and other current assets	2,320	2,087
Deferred income tax assets, domestic	666	665
Total current assets	75,410	73,229
Property and equipment, net	2,355	2,535
Other assets:		
Deposits	273	199
Goodwill	7,319	7,319
Intangible assets, net	184	210
Deferred income tax assets, domestic	2,550	2,686
Total other assets	10,326	10,414
Total assets	\$88,091	\$86,178
Current liabilities:		
Accounts payable and accrued expenses	\$4,860	\$5,107
Transit accounts payable	2,087	3,030
Accrued payroll and related costs	7,292	5,831
Income taxes payable	826	226
Deferred income tax liability, foreign	87	85
Contingent consideration	11	11
Total current liabilities	15,163	14,290
Contingent consideration	184	227
Total liabilities	15,347	14,517
Stockholders' equity:		
Preferred stock, \$1.00 par value; 5,000,000 shares authorized;		
no shares issued or outstanding	-	-
Common stock, \$0.05 par value; 40,000,000 shares authorized;		

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	13,391,109 shares issued and 12,744,561 shares outstanding at March 31, 2012 and 13,335,008 shares issued and 12,743,222 shares outstanding at December 31, 2011	669	666
Additional paid-in capital		108,482	108,203
Accumulated other comprehensive income		1,341	1,306
Accumulated deficit		(34,742)	(35,801)
Treasury stock (646,548 shares at March 31, 2012 and 591,786 at December 31, 2011, at cost)		(3,006)	(2,713)
Total stockholders' equity		72,744	71,661
Total liabilities and stockholders' equity		\$88,091	\$86,178

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

RCM TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
Thirteen Week Periods Ended March 31, 2012 and April 2, 2011
(Unaudited)
(In thousands, except per share amounts)

	Thirteen Week Periods Ended	
	March 31, 2012	April 2, 2011
Revenues	\$38,206	\$38,706
Cost of services	27,921	27,656
Gross profit	10,285	11,050
Operating costs and expenses		
Selling, general and administrative	8,231	8,684
Depreciation and amortization	278	309
	8,509	8,993
Operating income	1,776	2,057
Other (expense) income		
Interest expense and other, net	(11)	(8)
Reduction in contingent consideration	43	-
Gain (loss) on foreign currency transactions	1	(12)
	33	(20)
Income before income taxes	1,809	2,037
Income tax expense	750	862
Net income	\$1,059	\$1,175
Basic and diluted net earnings per share	\$0.08	\$0.09

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

RCM TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
Thirteen Week Period Ended March 31, 2012
(Unaudited)
(In thousands, except share amounts)

	Additional	Accumulated Other	Accumulated
Common Stock	Paid-in Capital	Comprehensive Income	Deficit