

IMMUCELL CORP /DE/
Form 10-Q
November 08, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2010

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

001-12934

(Commission file number)

ImmuCell Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

01-0382980
(I.R.S. Employer

Identification No.)

56 Evergreen Drive, Portland, ME
(Address of principal executive office)

04103
(Zip Code)

(207) 878-2770

(Registrant's telephone number)

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 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.

Large accelerated filer Accelerated filer Non-accelerated filer 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 November 5, 2010, the registrant had 2,970,652 shares of Common Stock, par value \$0.10 per share, outstanding.

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	December 31, 2009	(Unaudited) September 30, 2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 975,490	\$ 2,829,129
Short-term investments	3,610,000	2,229,000
Trade accounts receivable, net of allowance for doubtful accounts of \$10,000 and \$12,000 at December 31, 2009 and September 30, 2010, respectively	390,242	374,661
Income taxes receivable	1,248	948
Other receivables	24,022	26,771
Inventories	1,087,391	1,460,630
Prepaid expenses	179,828	124,104
Current portion of deferred tax asset	38,507	31,129
Total current assets	6,306,728	7,076,372
PROPERTY, PLANT AND EQUIPMENT, at cost:		
Laboratory and manufacturing equipment	2,820,425	2,867,809
Building and improvements	2,537,602	2,548,083
Office furniture and equipment	190,799	225,023
Land	50,000	50,000
	5,598,826	5,690,915
Less accumulated depreciation	2,619,828	2,924,154
Net property, plant and equipment	2,978,998	2,766,761
LONG-TERM PORTION OF DEFERRED TAX ASSET	698,085	901,196
DEBT ISSUE COSTS AND OTHER ASSETS, NET	900	26,358
TOTAL ASSETS	\$ 9,984,711	\$ 10,770,687
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accrued expenses	\$ 222,885	\$ 207,957
Accounts payable	139,885	174,688
Current portion of bank debt		41,772
Total current liabilities	362,770	424,417
LONG-TERM LIABILITIES:		
Long-term portion of bank debt		954,764
Interest rate swap liability		39,215

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Total long-term liabilities		993,979
TOTAL LIABILITIES	362,770	1,418,396
STOCKHOLDERS EQUITY:		
Common stock, Par value-\$0.10 per share		
Authorized-8,000,000 shares, Issued-3,261,148 shares at December 31, 2009 and September 30, 2010	326,115	326,115
Capital in excess of par value	9,751,442	9,777,828
Accumulated surplus (deficit)	179,879	(76,942)
Treasury stock at cost 290,496 shares at December 31, 2009 and September 30, 2010	(635,495)	(635,495)
Accumulated other comprehensive income interest rate swap		(39,215)
Total stockholders equity	9,621,941	9,352,291
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 9,984,711	\$ 10,770,687

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

Table of Contents**ImmuCell Corporation****STATEMENTS OF OPERATIONS FOR THE****THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2009 AND 2010****(Unaudited)**

	Three-Month Periods Ended September 30,		Nine-Month Periods Ended September 30,	
	2009	2010	2009	2010
REVENUES:				
Product sales	\$ 1,010,707	\$ 873,722	\$ 3,471,615	\$ 3,263,141
Royalty income	915	411	2,842	2,386
Total revenues	1,011,622	874,133	3,474,457	3,265,527
COSTS AND EXPENSES:				
Product costs	412,162	516,453	1,664,685	1,548,097
Product development expenses	328,430	312,158	1,249,869	1,050,940
General and administrative expenses	201,766	195,364	667,015	658,859
Sales and marketing expenses	107,966	197,289	319,841	474,816
Total costs and expenses	1,050,324	1,221,264	3,901,410	3,732,712
Net operating loss	(38,702)	(347,131)	(426,953)	(467,185)
Interest income and other income, net	18,606	4,664	87,948	23,190
Interest expense		(8,115)		(8,115)
Interest and other income, net	18,606	(3,451)	87,948	15,075
LOSS BEFORE INCOME TAXES	(20,096)	(350,582)	(339,005)	(452,110)
INCOME TAX BENEFIT	(1,193)	(153,466)	(137,653)	(195,289)
NET LOSS	\$ (18,903)	\$ (197,116)	\$ (201,352)	\$ (256,821)
NET LOSS PER COMMON SHARE:				
Basic	\$ (0.01)	\$ (0.07)	\$ (0.07)	\$ (0.09)
Diluted	\$ (0.01)	\$ (0.07)	\$ (0.07)	\$ (0.09)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	2,970,652	2,970,652	2,954,784	2,970,652
Diluted	2,970,652	2,970,652	2,954,784	2,970,652

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

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STATEMENTS OF STOCKHOLDERS' EQUITY

(Unaudited)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2009

	Common Stock \$0.10 Par Value		Capital in Excess of Par Value	Accumulated Surplus	Treasury Stock		Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount			Shares	Amount		
BALANCE , December 31, 2008	3,261,148	\$ 326,115	\$ 9,722,967	\$ 396,372	366,496	\$ (801,753)	\$ 9,643,701	
Net loss				(201,352)			(201,352)	
Exercise of stock options, net			(66,508)		(76,000)	166,258	99,750	
Stock-based compensation			75,946				75,946	
Tax benefits related to stock options			921				921	
BALANCE , September 30, 2009	3,261,148	\$ 326,115	\$ 9,733,326	\$ 195,020	290,496	\$ (635,495)	\$ 9,618,966	