

STARRETT L S CO
Form 10-Q
November 04, 2010

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 September 25, 2010

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 1-367

THE L. S. STARRETT COMPANY
(Exact name of registrant as specified in its charter)

MASSACHUSETTS
(State or other jurisdiction of incorporation or organization)

04-1866480
(I.R.S. Employer Identification No.)

121 CRESCENT STREET, ATHOL,
MASSACHUSETTS
(Address of principal executive offices)

01331-1915
(Zip Code)

978-249-3551

Registrant's telephone number, including area code

Former name, address and 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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer," "large 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

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

Common Shares outstanding as of October 29, 2010 6,691,830

Class A Common Shares 5,880,655

Class B Common Shares 811,175

THE L. S. STARRETT COMPANY

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Part I. Financial Information

Item 1. Condensed Consolidated Unaudited Financial Statements

THE L. S. STARRETT COMPANY
Consolidated Balance Sheets
(in thousands of dollars except share data)

	Sept. 25, 2010 (unaudited)	June 26, 2010
ASSETS		
Current assets:		
Cash	\$22,963	\$20,478
Investments	-	1,250
Accounts receivable (less allowance for doubtful accounts of \$717 and \$607, respectively)	40,305	33,707
Inventory	47,935	46,156
Current deferred income tax asset	3,366	3,300
Prepaid expenses, taxes and other current assets	5,458	5,510
Total current assets	120,027	110,401
Property, plant and equipment, at cost (less accumulated depreciation of \$125,286 and \$120,943, respectively)	56,208	56,529
Property held for sale	2,699	2,699
Intangible assets (less accumulated amortization of \$5,285 and \$4,973, respectively)	991	1,303
Other assets	626	280
Long-term taxes receivable	2,807	2,807
Long-term deferred income tax asset	26,068	26,115
Total assets	\$209,426	\$200,134
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current maturities	\$3,525	\$2,696
Accounts payable and accrued expenses	20,111	17,740
Accrued salaries and wages	5,121	5,037
Total current liabilities	28,757	25,473
Long-term taxes payable	9,249	9,132
Deferred income taxes	2,366	2,436
Long-term debt	642	706
Postretirement benefit liability	31,285	30,005
Total liabilities	72,299	67,752
Stockholders' equity:		
Class A Common \$1 par (20,000,000 shares authorized; 5,876,514 outstanding on 9/25/10 and 5,769,894 outstanding on 6/26/10)	5,877	5,859
Class B Common \$1 par (10,000,000 shares authorized; 811,175 outstanding on 9/25/10 and	811	821

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821,204 outstanding on 6/26/10)

Additional paid-in capital	50,456	50,373
Retained earnings reinvested and employed in the business	123,146	122,724
Accumulated other comprehensive loss	(43,163)	(47,395)
Total stockholders' equity	137,127	132,382
Total liabilities and stockholders' equity	\$209,426	\$200,134

See Notes to Unaudited Consolidated Financial Statements

THE L. S. STARRETT COMPANY
 Consolidated Statements of Operations
 (in thousands of dollars except per share data)(unaudited)

	13 Weeks Ended	
	9/25/2010	9/26/2009
Net sales	\$57,539	\$40,573
Cost of goods sold	38,867	30,541
Gross margin	18,672	10,032
% of net sales	32.5	24.7
	%	%
Selling and general expense	17,387	14,353
Operating income (loss)	1,285	(4,321)