

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB/A

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d) [amend]

Filing Date: **1995-07-28** | Period of Report: **1995-06-30**
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FILER

INDUSTRIAL TRAINING CORP

CIK: **764867** | IRS No.: **521078263** | State of Incorporation: **MD** | Fiscal Year End: **1231**
Type: **10QSB/A** | Act: **34** | File No.: **000-13741** | Film No.: **95556917**
SIC: **7812** Motion picture & video tape production

Mailing Address	Business Address
13515 DULLES TECHNOLOGY DRIVE HERNDON VA 22071	13515 DULLES TECHNOLOGY DR HERNDON VA 22071 7037133335

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-QSB/A
Quarterly Report Under Section 13 or 15(d) of
The Securities Exchange Act of 1934
For the Quarter ended June 30, 1995

Commission File Number 0-13741

INDUSTRIAL TRAINING CORPORATION

(Exact name of registrant as specified in its charter)

Amendment No. 1

Maryland	52-1078263
-----	-----
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

13515 Dulles Technology Drive, Herndon, Virginia 22071

(Address of principle executive offices and zip code)

Registrant's telephone number (703) 713-3335
(including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Name of each exchange on which registered
-----	-----
None	None

Securities registered pursuant to Section 12(g) of the Act:

COMMON STOCK

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

As of June 30, 1995, 2,455,624 shares of Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

NONE

This amendment replaces Item 1 of Form 10-QSB as filed by Industrial Training Corporation with the Securities and Exchange Commission on July 25, 1995. This amendment is filed for the purpose of correcting a typographic omission.

ITEM 1. FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

INDUSTRIAL TRAINING CORPORATION
CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

	For the 3 Months Ended June 30		For the 6 Months Ended June 30	
	1995 ----	1994 ----	1995 ----	1994 ----
<S>	<C>	<C>	<C>	<C>
Net revenues	\$6,285,888	\$5,210,752	\$11,255,632	\$9,363,645
Cost of sales	3,659,611 -----	3,176,506 -----	6,452,408 -----	5,584,954 -----
Gross profit	2,626,277	2,034,246	4,803,224	3,778,691
Selling, general, and administrative expense	1,846,566	1,566,124	3,596,371	3,090,546
Equity in earnings of affiliates	(35,903)	(55,528)	(77,961)	(70,154)
Interest expense, net	33,850 -----	39,492 -----	54,300 -----	87,826 -----
	1,844,513 -----	1,550,088 -----	3,572,710 -----	3,108,218 -----
Earnings before income taxes	781,764	484,158	1,230,514	670,473
Income taxes	321,000 -----	193,664 -----	505,000 -----	268,842 -----
Net earnings	\$460,764 =====	290,494 =====	\$725,514 =====	\$401,631 =====
Earnings per common share	\$.18 =====	\$.12 =====	\$.28 =====	\$.17 =====
Weighted average number of shares outstanding	2,593,942 =====	2,371,286 =====	2,588,176 =====	2,377,875 =====

See accompanying Notes to Condensed Consolidated Financial Statements.

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<TABLE>
<CAPTION>INDUSTRIAL TRAINING CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	ASSETS	
	June 30, 1995 ---- (Unaudited)	December 31, 1994 ----
<S>	<C>	<C>
Current assets:		
Cash	\$ 1,178,642	\$ 439,923
Accounts receivable, net (Note 2)	7,257,710	7,293,477
Due from affiliates	46,388	86,111
Inventories	1,100,037	1,203,876
Prepaid expenses	305,846 -----	118,446 -----
Total current assets	9,888,623	9,141,833

Property and equipment:		
Video and computer equipment	2,717,431	2,366,661
Furniture and fixtures	1,037,204	1,032,563
Leasehold improvements	95,111	89,106
Videotape masters	144,180	144,180
	-----	-----
	3,993,926	3,632,510
Less accumulated depreciation and amortization	(2,814,069)	(2,507,393)
	-----	-----
Net property and equipment	1,179,857	1,125,117
Deferred program development costs, net (Note 5)	5,618,824	4,358,315
Goodwill	2,102,626	2,185,126
Investment in affiliates	220,976	245,887
Other	73,658	73,769
	-----	-----
	\$ 19,084,564	\$ 17,130,047
	=====	=====

See accompanying Notes to Condensed Consolidated Financial Statements.

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<TABLE>
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INDUSTRIAL TRAINING CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 1995 ---- (Unaudited)	December 31, 1994 ----
	<C>	<C>
<S>		
Current liabilities:		
Note payable to bank (Note 3)	\$	\$ 80,000
Current installments of long-term debt	580,726	328,637
Accounts payable	2,247,594	2,112,271
Due to affiliates	281,529	419,895
Compensation and benefits payable	488,259	942,215
Deferred revenue	712,847	77,648
Other accrued expenses payable	657,671	1,086,571
Income taxes payable	300,000	
	-----	-----
Total current liabilities	5,268,626	5,047,237
Deferred lease obligations	111,968	119,316
Deferred income taxes (Note 4)	1,239,062	1,136,522
Long-term debt, excluding current installments	1,614,198	772,826
	-----	-----
Total liabilities	8,233,854	7,075,901
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$10 par value, 4,000,000 shares authorized; 2,473,328 and 2,466,828 issued in 1995 and 1994, respectively	247,333	246,683

Additional paid-in capital	5,714,402	5,698,147
Note receivable from ESOP	(304,177)	(358,177)
Retained earnings	5,254,461	4,528,947
	-----	-----
	10,912,019	10,115,600
Treasury stock, at cost, 17,704 and 18,004 shares at June 30, 1995 and December 31, 1994, respectively	(61,309)	(61,454)
	-----	-----
Total stockholders' equity	10,850,710	10,054,146
	-----	-----
	\$ 19,084,564	\$ 17,130,047
	=====	=====

See accompanying Notes to Condensed Consolidated Financial Statements.

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INDUSTRIAL TRAINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	For 6 Months Ended June 30,	
	1995	1994
	----	----
<S>	<C>	<C>
Cash Flows From Operating Activities:		
Net earnings	\$ 725,514	\$ 401,631
Reconciling items:		
Provision for deferred taxes	102,540	263,028
Depreciation and amortization	1,307,661	839,695
Sales awards of treasury shares	1,650	
Increase in allowance for doubtful accounts	45,000	
Changes in assets and other liabilities:		
Increase in accounts receivable	(9,233)	(256,315)
Decrease (increase) in inventory	103,839	(123,525)
Increase in prepaid expenses	(187,400)	(55,519)
Decrease (increase) in other assets	111	(49,462)
Increase in accounts payable	135,323	442,490
Decrease in due to affiliates, net	(98,643)	(14,613)
Decrease in compensation and benefits payable	(453,956)	(82,470)
Increase (decrease) in deferred revenue	635,199	(60,024)
(Decrease) increase in accrued other expenses	(428,900)	81,598
Increase in income taxes payable	300,000	
Decrease in deferred lease liability	(7,348)	(11,971)
	-----	-----
Net cash from operating activities	2,171,357	1,374,543
Cash Flows From Investing Activities:		
Deferred program development costs	(2,154,083)	(712,935)
Capital expenditures	(361,416)	(47,679)
Investment in affiliates		(34,593)
	-----	-----
Net cash used in investing activities	(2,515,499)	(795,207)
Cash Flows From Financing Activities:		
Repayments under line of credit	(80,000)	(240,000)
Principal payments under long-term debt	(212,152)	(379,390)
Payments under capital lease obligations	(14,387)	(14,195)
Proceeds from long-term debt	1,320,000	
Issuance of common stock	15,400	18,464

Employee stock option note collection
Acquisition of treasury stock

54,000

56,250
(60,072)

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Net cash provided by (used in) financing activities	1,082,861	(618,943)
Net increase (decrease) in Cash	738,719	(39,607)
Cash at Beginning of Period	439,923	126,136
Cash at End of Period	\$ 1,178,642	\$ 86,529

See accompanying Notes to Condensed Consolidated Financial Statements.

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INDUSTRIAL TRAINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED STATEMENTS

June 30, 1995

(Unaudited)

1) Basis of Presentation

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, ComSkill Learning Centers, Inc. ("ComSkill"), see note 6. In the opinion of management, the interim condensed consolidated financial statements include all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the results for the interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. The interim condensed consolidated financial statements should be read in conjunction with the Company's December 31, 1994 and 1993 audited financial statements included with the Company's filing on Form 10-KSB. The interim operating results are not necessarily indicative of the operating results for a full year.

2) Accounts Receivable

<TABLE>

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Accounts receivable include the following:

	June 30, 1995 ----	December 31, 1994 ----
<S>	<C>	<C>
Trade accounts receivable	\$ 7,453,370	\$ 7,245,294
Unbilled contract receivables	82,008	242,279
Less allowance for doubtful accounts	(325,714)	(280,714)
	-----	-----
	7,209,664	7,206,859
Other receivables	48,046	86,618
	-----	-----
	\$ 7,257,710	\$ 7,293,477
	=====	=====

</TABLE>

3) Note Payable to Bank

At June 30, 1995, the Company had available a revolving bank line of credit bearing interest at prime plus 1/2% in the amount of \$2,500,000. The line is collateralized by all the Company's business assets. At June 30, 1995, the Company had no outstanding balance under this line of credit.

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4) Income Taxes

The Company provides for income taxes using the liability method in accordance with SFAS No. 109, "Accounting for Income Taxes." Deferred income taxes result primarily from differences between financial statement and income tax treatment of program development costs and net operating loss carryforwards.

5) Deferred Program Development Costs

On February 17, 1995, the Company purchased all rights, title and all

other ownership interests in the 51 lessons in the INVOLVE(REGISTERED TRADEMARK) Series (INVOLVE(REGISTERED TRADEMARK)) from the Instrument Society of America (ISA). The aggregate purchase price for this transaction was approximately \$1,590,000 of which approximately \$1,400,000 represented an addition to deferred program development costs. These programs are being amortized over a period of five years.

6) Other Events

On January 2, 1995, CI Acquisition Corp. ("CI") and its wholly owned subsidiary, Comsell Training, Inc. ("Comsell"), were merged and liquidated into the Company. As a result, the Company's only remaining subsidiary is ComSkill Learning Centers, Inc. The merger and liquidation will have no effect on the Company's financial reporting.

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SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INDUSTRIAL TRAINING CORPORATION
(Registrant)

<TABLE>
<CAPTION>

<S>	<C>
BY /S/ Philip J. Facchina	DATE July 28, 1995

Philip J. Facchina Vice President, Treasurer and Chief Financial Officer	

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