

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

ELECTRONIC SYSTEMS TECHNOLOGY INC

CIK: **752294** | IRS No.: **911238077** | State of Incorporation: **WA** | Fiscal Year End: **1231**
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SIC: **3670** Electronic components & accessories

Mailing Address
415 N QUAY #4
KENNEWICK WA 99336

Business Address
415 N QUAY STREET
KENNEWICK WA 99336
5097359092

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: April 5, 1996

ELECTRONIC SYSTEMS TECHNOLOGY INC.
(A Washington Corporation)

Commission File no. 2-92949-S
IRS Employer Identification no. 91-1238077

415 N. Quay St. #4
Kennewick WA 99336
(Address of principal executive offices)

Registrant's telephone number, including area code: (509) 735-9092

ITEM 5. OTHER EVENTS

On APRIL 5, 1996, the Company issued a letter to shareholders discussing yearend 1995 results, the announcement of the Company's stock repurchase plan, and other informational issues. This shareholder letter is incorporated by reference and is attached hereto as Exhibit 20.3.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL STATEMENTS, AND EXHIBITS.

Exhibit 20.3 - Letter to Shareholders published APRIL 5, 1996.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ELECTRONIC SYSTEMS TECHNOLOGY, INC.

T. L. KIRCHNER

By: T.L. Kirchner
President

Date: APRIL 5, 1996

EXHIBIT 20.3-Letter to Shareholders

To Our Shareholders:

We are pleased to report record annual gross revenues of \$1,731,949 for the year ended December 31, 1995, comprised mainly of sales of \$1,535,071, as compared to gross revenues of \$1,340,380 for year end 1994, a 29% increase, and an 11% increase over the previous gross revenues bench mark of \$1,563,916 in 1993. The Company reported a net income before tax for 1995 of \$404,137 compared with net income before tax in 1994 of \$290,839, an increase of 39%.

(see appendix item no. 2 for description of graphic content not displayed in electronic format)

As was stated at the Annual Shareholder Meeting in June of 1995, it is Management's opinion that the Company's stock is undervalued, therefore the Board of Directors have approved a repurchase plan ("the Plan") for the Company's stock. Under conditions of the Plan, the Company may acquire its common stock up to a total value of \$100,000 from open market purchases from brokers and dealers. The Plan may commence as early as April 12, 1996, and continue through June 30, 1996. Stock repurchases are subject to the terms and conditions of The Plan. In an effort to take into consideration as many shareholders as possible, the maximum number of shares the Company will repurchase from any single shareholder during the duration of the Plan will be 10,000 shares. Due to the financial position of the Company, it is Management's opinion that resources allocated for accomplishment of the Plan can be expended without detrimental effect to the Company's research & development, marketing or operations requirements.

Another reminder for our shareholders, all of EST's filing data to the Security Exchange Commission (SEC) is available from the SEC information archive on the Internet (<http://www.sec.gov>). Additionally, EST has it's Internet web site operational, (<http://www.esteem.com>), containing technical and sales information for our existing and potential customers. We have been pleased with the response to our web site, as it continues to develop more sales, technical and shareholder related information will be included.

Annual reports, proxies, and official notice of the Annual Meeting are scheduled to be mailed by the end of April. Just a reminder that our annual shareholder meeting will be on Friday, June 7, 1996, 3:00p.m. PDT, at Cavanaugh's Inn in Kennewick. All shareholders are welcome, and I hope to see you there.

T. L. KIRCHNER

T.L. Kirchner

<TABLE>

SELECTED FINANCIAL DATA

<CAPTION>

for Year ended	Dec. 31 1995 =====	Dec. 31 1994 =====
<S>	<C>	<C>
Sales	\$1,535,071	\$ 1,197,720
Gross Profit	\$ 932,485	\$ 732,340
Income before income taxes	\$ 404,137	\$ 290,839
Income after income taxes	\$ 267,709	\$ 185,940
Earnings per common share before taxes		
Primary	\$.07	\$.05
Fully diluted	\$.07	\$.05
Earnings per common share after taxes		
Primary	\$.05	\$.04
Fully diluted	\$.05	\$.04
Weighted average number of common shares and common stock equivalents outstanding for use in determining Earnings Per Share:		
Primary	5,433,174	5,360,982
Fully diluted	5,433,174	5,360,982
Total assets	\$2,010,772	\$1,597,612
Long-term debt and capital lease obligations	\$ -0-	\$ -0-
Shareholder's equity	\$1,877,180	\$1,555,558

Shareholder's equity per share	\$.37	\$.31
Working Capital	\$1,723,823	\$1,449,848
Equity to total assets	93%	97%

SHAREHOLDER INFORMATION

HEADQUARTERS

Electronic Systems Technology, Inc.
415 N. Quay Street
Kennewick, WA 99336
Office: (509) 735-9092
Facsimile: (509) 783-5475
Internet Web Site: www.esteem.com

INDEPENDENT AUDITOR

Robert Moe & Associates, P.S.
305 IBM Building
W. 201 N. River Drive
Spokane, WA 99201

TRANSFER AGENT

TranSecurities International, Inc.
2510 North Pines, Suite 202
Spokane, WA 99206

APPENDIX:

Item no. 1: (graphic material not included in electronic filing format)

Located at the top left of the document was the Electronic Systems Technology, Inc. trademarked company logo, showing a black square field containing the stylized letters E S T.

Item no. 2: (graphic material not included in electronic filing format)

Located between the first and second paragraphs of the first page of the shareholder letter was a bar graph showing the comparison of the Company's Year End Gross Revenues for the years 1995, 1994, 1993. The data presented was as follows:

1995 year end gross revenues: \$1,731,949
1994 year end gross revenues: \$1,340,380
1993 year end gross revenues: \$1,563,916