

METWOOD INC
Form 10-Q
November 15, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2012

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission File Number 00-05391

METWOOD, INC.

(Exact name of small business issuer as specified in its charter)

NEVADA 83-0210365

(State of other jurisdiction (IRS Employer
of incorporation) Identification No.)

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819 Naff Road, Boones Mill, VA 24065

(Address of principal executive offices) (Zip Code)

(540) 334-4294

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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

Indicated by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company as defined by Rule 12B-2 of the Exchange Act:

Large accelerated filer Non-accelerated filer

Accelerated filer Smaller reporting company

Indicated by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act):
Yes No

As of September 30, 2012, the number of shares outstanding of the registrant's common stock, \$0.001 par value (the only class of voting stock), was 12,231,797 shares.

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METWOOD, INC. AND SUBSIDIARY

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CONSOLIDATED BALANCE SHEETS

	(UNAUDITED) September 30, 2012	(AUDITED) June 30, 2012
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 75,003	\$58,646
Accounts receivable, net	328,768	231,081
Inventory	904,479	961,780
Other current assets	28,930	31,871
Total current assets	1,337,180	1,283,378
Property and Equipment		
Leasehold and land improvements	333,332	332,779
Furniture, fixtures and equipment	93,458	93,458
Computer hardware, software and peripherals	170,389	167,763
Machinery and shop equipment	461,586	459,087
Vehicles	386,019	381,373
	1,444,784	1,434,460
Less accumulated depreciation	(1,021,125)	(1,001,068)
Net property and equipment	423,659	433,392
Other Assets		
Deferred tax asset	212,728	224,317
Less valuation reserve	(106,364)	(112,159)
Total other assets	106,364	112,158
TOTAL ASSETS	\$ 1,867,203	\$1,828,928

See accompanying notes to consolidated financial statements.

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CONSOLIDATED BALANCE SHEET

	(UNAUDITED) September 30, 2012	(AUDITED) June 30, 2012
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	\$ 188,520	\$ 164,052
Total current liabilities	188,520	164,052
Long-term Liabilities		
Due to related company	104,837	112,711
Total long-term liabilities	104,837	112,711
Total liabilities	293,357	276,763
Stockholders' Equity		
Common stock, \$.001 par, 100,000,000 shares authorized; 12,231,797 shares issued and outstanding at September 30, 2012	12,232	12,232
Common stock not yet issued (\$.001 par, 8,150 shares)	8	8
Additional paid-in capital	1,544,268	1,544,268
Retained earnings	17,338	(4,343)
Total stockholders' equity	1,573,846	1,552,165
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,867,203	\$ 1,828,928

See accompanying notes to consolidated financial statements.

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METWOOD, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended September 30,	
	2012	2011
REVENUES		
Construction sales	\$628,883	\$505,333
Engineering sales	—	2,356
Gross sales	628,883	507,689
Cost of construction sales	380,082	289,441
Cost of engineering sales	—	15,077
Gross cost of sales	380,082	304,518
Gross profit	248,801	203,171
ADMINISTRATIVE EXPENSES		
Advertising	6,285	12,527
Depreciation	7,920	9,832
Insurance	6,219	5,772
Payroll expenses	126,253	124,625
Professional fees	19,481	25,095
Rent	20,400	19,800
Vehicle	7,337	11,602
Other	30,524	29,759
Total administrative expenses	224,419	239,012
Operating income (loss)	24,382	(35,841)
Other income	3,093	5,493
Income (loss) before income tax benefit	27,475	(30,348)
Income tax expense (benefit)	5,794	(10,584)
Net income (loss) from operations	\$21,681	\$(19,764)
Basic and diluted earnings per share	**	**
Weighted average number of shares	12,231,797	12,231,797

**Less than \$0.01

See accompanying notes to consolidated financial statements.

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METWOOD, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended September 30,	
	2012	2011
OPERATIONS		
Net income (loss)	\$21,681	\$(19,764)
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	20,057	22,100
Reversal of deferred income taxes	—	(10,584)
(Increase) decrease in operating assets:		
Accounts receivable	(98,344)	26,855
Inventory	3,712	(82,485)
Recoverable income taxes	—	42,606
Other operating assets	62,981	(2,310)
Increase in operating liabilities:		
Accounts payable and accrued expenses	24,468	58,553
Net cash provided by operating activities	34,555	34,971
INVESTING		
Capital expenditures	(10,324)	(19,236)
Proceeds from disposal of assets	—	33,811
Net cash (used for) provided by investing activities		