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RISK GEORGE INDUSTRIES INC
Form 10KSB/A
June 16, 2005

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-KSB/A

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

For the fiscal year ended April 30, 2004

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 0-5378

George Risk Industries, Inc.

(Name of small business issuer in its charter)

Colorado

84-0524756

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

802 South Elm
Kimball, NE

69145

(Address of principal executive
offices)

(Zip Code)

Issuer's telephone number: (308) 235-4645

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

Title of Each Class Name of Exchange on Which Registered

None

None

Securities registered under Section 12(g) of the Act:

Class A Common Stock, \$.10 par value

(Title of class)

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

Check if disclosure of delinquent filers in response to Item 405 of

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Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB/A or any amendment to this Form 10-KSB/A. [X]

State issuer's revenues for the most recent fiscal year: \$ 2,411,000.

The aggregate market value of the voting stock held by non-affiliates of the Registrant as of July 28, 2004 was approximately \$14,524,000 based upon the last reported sale, which occurred on July 27, 2004. For purposes of this disclosure, Common Stock held by officers and directors of the Registrant have been excluded in that such persons may be deemed to be "affiliates" as that term is defined under the rules and regulations promulgated under the Securities Act of 1933. This determination is not necessarily conclusive.

The number of shares of the Registrant's Common Stock outstanding as of July 29, 2004 was 5,402,528.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Transitional Small Business Disclosure Format: (Check one)

Yes [X]; No ____

Part I

ITEM 1 BUSINESS

(a) BUSINESS DEVELOPMENT

George Risk Industries, Inc. (GRI or the company) was incorporated in 1967 in Colorado. The company is presently engaged in the design, manufacture, and sale of computer keyboards, push button switches, burglar alarm components and systems, pool alarms, thermostats, EZ Duct wire covers, and hydro sensors.

GRI Telemark Corporation (Telemark), a majority owned subsidiary, was incorporated in October 1983 for the purpose of marketing security alarm products. As of April 13, 1993, Telemark was merged into GRI and presently operates as a marketing division of GRI.

PRODUCTS, MARKET, and DISTRIBUTION

The company designs, manufactures, and sells computer keyboards, push-button switches, burglar alarm components and systems, pool alarms, and hydro sensors. The security burglar alarm products comprise approximately 85 percent and pool alarms comprise 9 percent of net revenues which are sold through distributors and private board customers.

The security segment has approximately 4,000 customers. One of the distributors accounts for approximately 42 percent of the company's sales of these products. Loss of this distributor would be significant to the company. However, this customer has purchased from the company for many years and is expected to continue.

The keyboard segment has approximately 720 customers. Keyboard products are

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sold to original equipment manufacturers, to their specifications and to distributors of off-the-shelf keyboards of proprietary design.

COMPETITION

The company has intense competition in the keyboard and burglar alarm lines.

The burglar alarm segment has five or six major competitors. The company competes well based on price, product design, quality, and prompt delivery.

The competitors in the keyboard segment are larger companies with automated production facilities. GRI has emphasized small custom order sales that many of its competitors decline or discourage.

RESEARCH and DEVELOPMENT

The company performs research and development for its customers when needed and requested. Costs in connection with such product development have been borne by the customers. Costs associated with the development of new products are expensed as incurred.

EMPLOYEES

GRI has approximately 225 employees.

ITEM 2 PROPERTIES

The manufacturing and office facilities are owned by the company. The manufacturing facilities were expanded by 7,200 square feet five years ago. Total square footage of the plant in Kimball, Nebraska is approximately 42,500. Additionally, the company leases 15,000 square feet for \$1,535 per month from Eileen Risk, mother of Ken R. Risk, who is an officer and director of the company.

As of October 1, 1996, the company also began operating a satellite plant in Gering, NE. This expansion was done in coordination with Twin Cities Development. The company leases approximately 3,600 square feet and currently employs 34 employees at the Gering site.

ITEM 3 LEGAL PROCEEDINGS

None.

ITEM 4 SUBMISSION of MATTERS to a VOTE of SECURITY HOLDERS

Not applicable.

Part II

ITEM 5 MARKET for the REGISTRANT'S COMMON EQUITY and RELATED STOCKHOLDERS' MATTER

PRINCIPAL MARKET

The company's Class A Common Stock is currently quoted over the counter in the NQB "Pink Sheets" by five market makers.

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STOCK PRICES and DIVIDENDS INFORMATION

2004 Fiscal Year	High	Low
May 1-July 31	3.45	2.30
August 1-October 31	4.15	2.90
November 1-January 31	7.20	3.80
February 1-April 30	6.25	5.35

2003 Fiscal Year	High	Low
May 1-July 31	2.25	1.96
August 1-October 31	2.25	2.05
November 1-January 31	2.72	2.12
February 1-April 30	2.90	2.21

No dividends were paid during fiscal years ending April 30, 2003 and 2004.

The number of holders of record of the company's Class A Common Stock as of April 30, 2004, was approximately 1,528.

ITEM 6 MANAGEMENT'S DISCUSSION and ANALYSIS of FINANCIAL CONDITION and RESULTS of OPERATIONS

GRI completed the fiscal year ending April 30, 2004, with a net profit of 18.9% net of sales. Net sales were at \$12,783,000, down 0.9% over the previous year.

We expect sales to stay steady and hopefully increase for the fiscal year ending April 30, 2005. Any extra growth would be achieved by volume increases with our present customers and with the addition of new customers. We have an excellent marketing department that is always on the lookout for new clients. Also, although our warehouse in England has not performed quite as well for fiscal year end 2004 as it did in fiscal year end 2003, we have supplemented the European market by doing more drop shipments directly from the factory here in the US. Sales in the European market were down 1.5% for the fiscal year ending April 30, 2004. We are planning to put more focus into the overseas market for fiscal year end 2005.

The material and labor costs stayed very consistent between this year and last year. At fiscal year end 2004 the material and labor percentage was at 37.1% of gross sales while the same percentage for fiscal year 2003 was at 38.5%. We continue to buy smart and we are always looking for quality material at the best possible price. As far as labor goes, we only hire the number of production workers that is needed to finish products in a timely matter and we work very hard at keeping overtime expense down. With these good practices embedded throughout, we expect to continue to achieve a gross profit margin of 45 to 50 percent for the coming year.

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At April 30, 2004, working capital increased by 18.2% in comparison to the previous fiscal year. Liquidity has risen this year as the ratio of cash, securities and accounts receivables to current obligations was 41.029 and 24.106 for the fiscal years ending April 30, 2004 and April 30, 2003, respectively. Current assets have increased while current liabilities have decreased. At April 30, 2004, the only long-term liability that we have on the books is deferred income tax of \$27,000.

New products in Research and Development at this time include the ADA series of touch sensors, which are the GRI T8800 wall temperature sensor and the H8800 humidity sensor. The T8800 is expected to be ready for sale by August 1, 2004. The molded box for ADA units is complete with the exception of a few modifications to the mold.

Other new product developments are 110 and 220 volt versions of our Current Controller product line, a door strike control, a twelve-key keypad using the touch sensor technology, and the High Security switch. Testing continues on the High Security switch and the Smart Start prototypes.

Our tool and die department's priorities are the new rollerball/dome switch molds, the 4460 spacer and the smoke box addition to the EZ Duct Raceway.

Both the GB-551 glass break switch and the Fail Safe Water Sensor (GRI pt #2826FS) have been introduced to the marketplace with good response.

Furthermore, we have begun packaging Magnasphere Corporation products in cases for their customers. This is a type of magnetic product recently introduced to the security market.

Management is always open to the possibility of acquiring a business that would complement our existing operations. This would probably not require any outside financing. The intent would be to utilize the equipment, marketing techniques and established customers to increase sales and profits.

There are no known seasonal trends with any of GRI's products, since we mostly sell to distributors and OEM manufacturers. The products are tied to the housing industry and will fluctuate with building trends.

ITEM 7 FINANCIAL STATEMENTS

Independent Auditor's Report

Board of Directors
George Risk Industries, Inc.
Kimball, Nebraska

We have audited the accompanying balance sheet of George Risk Industries, Inc. as of April 30, 2004, and the related statements of income, comprehensive income, stockholders' equity, and cash flows for the two years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we

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plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of George Risk Industries, Inc. as of April 30, 2004, and the results of their operations and their cash flows for the two years then ended, in conformity with accounting principles generally accepted in the United States of America.

MASON RUSSELL WEST, LLC

Littleton, Colorado
July 12, 2004

George Risk Industries, Inc. Balance Sheet April 30, 2004

Assets

Current Assets:	
Cash and cash equivalents	\$ 4,280,000
Marketable securities	10,766,000
Accounts receivable:	
Trade, net of allowance for doubtful accounts of \$50,000	1,735,000
Income tax overpayment	129,000
Other	5,000
Inventories	2,379,000
Prepaid expenses	65,000
Deferred income taxes	94,000
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Total Current Assets	19,453,000
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Property and Equipment, net, at cost	835,000
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Other Assets	
Investment in Land Limited Partnership, at cost	200,000
Projects in process	46,000
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Total Other Assets	246,000
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Total Assets	\$20,534,000
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