

DIGITAL POWER CORP
Form 10-Q
August 14, 2012

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 For the quarterly period ended June 30, 2012

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 1-12711

DIGITAL POWER CORPORATION
(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

94-1721931
(I.R.S. Employer Identification Number)

41324 Christy Street
Fremont, CA 94538-3158
(Address of principal executive offices)

(510) 657-2635
(Registrant's telephone number)

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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

At August 14, 2012, the registrant had outstanding 6,863,150 shares of common stock.

DIGITAL POWER CORPORATION

TABLE OF CONTENTS

	Page
PART I – FINANCIAL INFORMATION	
Item 1. Financial Statements	3
Consolidated Balance Sheets as of June 30, 2011 and December 31, 2011	3
Consolidated Statements of Operations for the three and six months ended June 30, 2012 and June 30, 2011	4
Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2012 and June 30, 2011	5
Statement of Changes in Shareholders' Equity for the six months ended June 30, 2012	6
Consolidated Statements of Cash Flows for the six months ended June 30, 2012 and June 30, 2011	7
Notes to Interim Consolidated Financial Statements	8-13
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	14
Item 3. Quantitative and Qualitative Disclosures About Market Risk	17
Item 4. Controls and Procedures	17
PART II – OTHER INFORMATION	17
Item 1. Legal Proceedings	17
Item 1A. Risk Factors	17
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	23
Item 3. Defaults Upon Senior Securities	24
Item 4. Reserved	24
Item 5. Other Information	24
Item 6. Exhibits	24
SIGNATURES	25

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

DIGITAL POWER CORPORATION AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands, except share data

	June 30, 2012 Unaudited	December 31, 2011
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,922	\$ 1,777
Trade receivables (net of allowance for doubtful accounts of \$ 146 and \$ 148 at June 30, 2012 and December 31, 2011, respectively)	2,326	1,845
Prepaid expenses and other receivables	146	108
Inventories (Note 3)	1,886	2,332
Total current assets	6,280	6,062
PROPERTY AND EQUIPMENT, NET	472	448
INTANGIBLE ASSET, NET	306	350
AVAILABLE FOR SALE SECURITIES OF TELKOOR	607	483
LONG-TERM DEPOSITS	6	6
Total assets	\$ 7,671	\$ 7,349
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 942	\$ 1,032
Related parties - trade payables	363	369
Advances from customers and deferred revenues	16	286
Other current liabilities	472	529
Total current liabilities	1,793	2,216
SHAREHOLDERS' EQUITY:		
Share capital -		
Series A Redeemable, Convertible Preferred shares, no par value - 500,000 shares authorized at June 30, 2012 and December 31, 2011; No shares are issued and outstanding.	-	-
Preferred shares, no par value - 1,500,000 shares authorized at June 30, 2012 and December 31, 2011; No shares are issued and outstanding.	-	-
Common shares, no par value - 30,000,000 shares authorized at June 30, 2012 and December 31, 2011; 6,863,150 shares and 6,849,654 shares issued and outstanding at June 30, 2012 and December 31, 2011, respectively	-	-
Additional paid-in capital	14,410	14,358
Accumulated deficit	(7,768)	(8,321)
Accumulated other comprehensive loss	(764)	(904)
Total shareholders' equity	5,878	5,133

Total liabilities and shareholders' equity	\$	7,671	\$	7,349
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The accompanying notes are an integral part of the interim consolidated financial statements.

DIGITAL POWER CORPORATION AND ITS SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. dollars in thousands, except per share data

	Six months ended June 30,		Three months ended June 30,	
	2012	2011	2012	2011
	Unaudited			
Revenues	\$ 5,182	\$ 6,150	\$ 2,942	\$ 3,172
Cost of revenues	2,979	3,751	1,666	1,879