

IMMUCELL CORP /DE/
Form 10-Q
August 13, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2014

001-12934

(Commission file number)

ImmuCell Corporation

(Exact name of registrant as specified in its charter)

**Delaware
(State of Incorporation)**

**01-0382980
(I.R.S. Employer
Identification No.)**

**56 Evergreen Drive, Portland, ME
(Address of principal executive office) (Zip Code)**

(207) 878-2770

(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 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 Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of the Registrant's common stock outstanding at August 8, 2014 was 3,027,034.

ImmuCell Corporation

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ImmuCell Corporation

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BALANCE SHEETS

	(Unaudited) As of June 30, 2014	As of December 31, 2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,700,853	\$ 2,270,385
Short-term investments	2,985,000	2,985,000
Inventory	944,196	1,206,508
Accounts receivable, net	428,426	631,410
Prepaid expenses	250,561	159,117
Current portion of deferred tax asset	--	15,212
Total current assets	6,309,036	7,267,632
PROPERTY, PLANT AND EQUIPMENT, net	2,586,398	2,524,765
DEFERRED TAX ASSET	1,363,974	1,154,681
LONG-TERM INVESTMENTS	496,000	--
OTHER ASSETS, net	12,397	13,636
TOTAL ASSETS	\$ 10,767,805	\$ 10,960,714
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accrued expenses	\$ 458,615	\$ 293,076
Accounts payable	148,327	152,153
Deferred tax liability	23,749	--
Current portion of bank debt	194,986	190,390
Total current liabilities	825,677	635,619
LONG-TERM LIABILITIES:		
Long-term portion of bank debt	797,730	896,224
Interest rate swap	41,028	33,002
Total long-term liabilities	838,758	929,226

TOTAL LIABILITIES	1,664,435	1,564,845
STOCKHOLDERS' EQUITY:		
Common stock, \$0.10 par value per share, 8,000,000 shares authorized, 3,261,148 shares issued as of June 30, 2014 and December 31, 2013	326,115	326,115
Capital in excess of par value	10,029,592	10,011,339
Accumulated deficit	(715,524)	(407,408)
Treasury stock, at cost, 234,114 and 235,114 shares as of June 30, 2014 and December 31, 2013, respectively	(512,153)	(514,341)
Accumulated other comprehensive loss	(24,660)	(19,836)
Total stockholders' equity	9,103,370	9,395,869
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 10,767,805	\$ 10,960,714

The accompanying notes are an integral part of these financial statements.

ImmuCell Corporation**(Unaudited)****STATEMENTS OF OPERATIONS**

	For the Three-Month Periods Ended June 30,		For the Six-Month Periods Ended June 30,	
	2014	2013	2014	2013
Product sales	\$1,539,719	\$1,366,493	\$3,621,470	\$3,213,228
Costs of goods sold	661,196	582,816	1,593,052	1,375,983
Gross margin	878,523	783,677	2,028,418	1,837,245
Product development expenses	760,672	271,858	1,354,881	538,338
Administrative expenses	313,830	242,233	571,650	481,246
Sales and marketing expenses	262,688	245,864	547,993	467,271
Operating expenses	1,337,190	759,955	2,474,524	1,486,855
NET OPERATING (LOSS) INCOME	(458,667)	23,722	(446,106)	350,390
Other (expenses) revenues, net	(15,980)	(13,253)	(27,387)	30,776
(LOSS) INCOME BEFORE INCOME TAXES	(474,647)	10,469	(473,493)	381,166
Income tax benefit (expense)	179,866	(4,017)	165,377	(170,405)
NET (LOSS) INCOME	\$(294,781)	\$6,452	\$(308,116)	\$210,761
Weighted average common shares outstanding:				
Basic	3,027,034	3,019,034	3,026,968	3,019,034
Diluted	3,027,034	3,076,703	3,026,968	3,080,230
NET (LOSS) INCOME PER SHARE:				
Basic	\$(0.10)	\$0.00	\$(0.10)	\$0.07
Diluted	\$(0.10)	\$0.00	\$(0.10)	\$0.07

The accompanying notes are an integral part of these financial statements.

ImmuCell Corporation**(Unaudited)****STATEMENTS OF COMPREHENSIVE (LOSS) INCOME**

	For the Three-Month Periods Ended June 30,		For the Six-Month Periods Ended June 30,	
	2014	2013	2014	2013
Net (loss) income	\$(294,781)	\$6,452	\$(308,116)	\$210,761
Other comprehensive (loss) income:				
Interest rate swap, before taxes	(5,684)	30,637	(8,026)	40,303
Income tax applicable to interest rate swap	2,267	(12,222)	3,202	(16,078)
Other comprehensive (loss) income, net of taxes	(3,417)	18,415	(4,824)	24,225
Total comprehensive (loss) income	\$(298,198)	\$24,867	\$(312,940)	\$234,986

The accompanying notes are an integral part of these financial statements.

ImmuCell Corporation

(Unaudited)

STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock \$0.10 Par Value		Capital in Excess of Par Value	Accumulated Deficit	Treasury Stock		Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Par Value	Deficit	Shares	Amount	Loss	Equity
Balance as of December 31, 2013	3,261,148	\$326,115	\$10,011,339	\$(407,408)	235,114	\$(514,341)	\$(19,836)	\$9,395,869
Net (loss)	--	--	--	(308,116)	--	--	--	(308,116)
Other comprehensive (loss), net of taxes	--	--	--	--	--	--	(4,824)	(4,824)
Exercise of stock options	--	--	962	--	(1,000)	2,188	--	3,150
Stock-based compensation	--	--	17,291	--	--	--	--	17,291
Balance as of June 30, 2014	3,261,148	\$326,115	\$10,029,592	\$(715,524)	234,114	\$(512,153)	\$(24,660)	\$9,103,370

	Common Stock \$0.10 Par Value		Capital in Excess of Par Value	Accumulated Deficit	Treasury Stock		Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Par Value	Deficit	Shares	Amount	Loss	Equity
Balance as of December 31, 2012	3,261,148	\$326,115	\$9,973,146	\$(524,803)	242,114	\$(529,655)	\$(50,120)	\$9,194,683