

TODHUNTER INTERNATIONAL INC
Form 10-Q
August 14, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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 June 30, 2003

Commission File No. 1-13453

TODHUNTER INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

59-1284057

IRS Employer Identification No.

**222 Lakeview Avenue, Suite 1500, West Palm
Beach, FL**

(Address of principal executive offices)

33401

(Zip Code)

Registrant's telephone number, including area code: **(561) 655-8977**

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, and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares outstanding of registrant's Common Stock, \$.01 par value per share, as of August 12, 2003 was 5,576,234.

TODHUNTER INTERNATIONAL, INC.

INDEX

PART I

FINANCIAL INFORMATION

Item 1

Financial Statements

Consolidated Balance Sheets -
June 30, 2003, unaudited and September 30, 2002

Consolidated Statements of Income -
Nine and Three Months Ended June 30, 2003 and 2002, unaudited

Consolidated Statements of Cash Flows -
Nine and Three Months Ended June 30, 2003 and 2002, unaudited

Notes to Consolidated Financial Statements

Item 2

Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3

Quantitative and Qualitative Disclosures About Market Risk

Item 4

Controls and Procedures

PART II

OTHER INFORMATION

Item 1

Legal Proceedings *

Item 2

Changes in Securities and Use of Proceeds *

Item 3

Defaults Upon Senior Securities *

Item 4

Submission of Matters to a Vote of Security Holders *

Item 5

Other Information *

Item 6

Exhibits and Reports on Form 8-K

Signatures

* Item is omitted because answer is negative or item is inapplicable.

PART I - FINANCIAL INFORMATION**Item 1. Financial Statements**TODHUNTER INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS

	June 30, 2003 (Unaudited)	September 30, 2002 *
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 14,205,007	\$ 13,946,736
Short-term investments	3,402,636	3,397,033
Trade receivables	13,801,588	13,505,737
Other receivables	2,617,059	2,696,743
Inventories	32,442,963	27,854,925
Notes receivable, current maturities	246,767	118,165
Deferred income taxes	2,205,750	1,992,000
Other current assets	2,488,589	3,078,437
Total current assets	71,410,359	66,589,776
LONG-TERM INVESTMENTS AND NOTES RECEIVABLE		
Investments in and advances to equity investees	1,886,416	1,584,628
Notes receivable from affiliates, less current maturities	4,121,204	3,774,773
Notes receivable, less current maturities	523,608	584,687
	6,531,228	5,944,088
PROPERTY AND EQUIPMENT		
	91,632,043	89,775,329
Less accumulated depreciation	50,824,798	47,590,112
	40,807,245	42,185,217
GOODWILL		
	20,524,404	20,524,404
AMORTIZED INTANGIBLE ASSETS		
	1,785,030	2,040,181
OTHER ASSETS		
	29,250	598,838
	\$ 141,087,516	\$ 137,882,504

*From audited financial statements.

See Notes to Consolidated Financial Statements.

TODHUNTER INTERNATIONAL, INC.

CONSOLIDATED BALANCE SHEETS

	June 30, 2003 (Unaudited)	September 30, 2002 *
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 4,000,000	\$ 4,000,000
Accounts payable	7,949,135	4,051,379
Accrued expenses	3,041,682	3,223,293
Total current liabilities	14,990,817	11,274,672
LONG-TERM DEBT, less current maturities	49,900,206	53,017,009
DEFERRED INCOME TAXES	5,033,250	4,710,000
OTHER LIABILITIES	2,233,337	1,811,459
	72,157,610	70,813,140
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$.01 per share; authorized 2,500,000 shares; no shares issued		
Common stock, par value \$.01 per share; authorized 10,000,000 shares; issued 5,673,434 shares June 30, 2003, and 5,669,434 shares September 30, 2002	56,734	56,694
Additional paid-in capital	18,696,909	18,664,449
Retained earnings	50,914,043	49,086,001
	69,667,686	67,807,144
Less cost of 99,200 shares of treasury stock	(737,780)	(737,780)
	68,929,906	67,069,364
	\$ 141,087,516	\$ 137,882,504

*From audited financial statements.

See Notes to Consolidated Financial Statements.

TODHUNTER INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Nine Months Ended June 30,		Three Months Ended June 30,	
	2003	2002	2003	2002
Sales	\$ 88,646,677	\$ 97,693,371	\$ 30,924,864	\$ 34,377,199
Less excise taxes	22,769,722	24,948,483	7,837,133	8,443,889
Net sales	65,876,955	72,744,888	23,087,731	25,933,310
Cost of goods sold	44,423,842	49,402,731	15,022,995	17,289,143
Gross profit	21,453,113	23,342,157	8,064,736	8,644,167
Selling, general and administrative expenses	17,392,479	15,592,695	6,305,257	5,778,418
Operating income	4,060,634	7,749,462	1,759,479	2,865,749
Other income (expense):				
Interest income	570,479	480,619	227,759	107,986
Interest expense	(2,583,583)	(2,070,276)	(985,150)	(649,550)
Equity in income (loss) of equity investee	325,970	136,035	76,565	(21,378)
Other, net	(1,363,999)	327,212	94,622	81,406
	(3,051,133)	(1,126,410)	(586,204)	(481,536)
Income before income taxes	1,009,501	6,623,052	1,173,275	2,384,213
Income tax expense (benefit):				
Current	(928,041)	1,441,017	(883,657)	444,267
Deferred	109,500	211,500	164,500	185,000
	(818,541)	1,652,517	(719,157)	629,267
Net Income	\$ 1,828,042	\$ 4,970,535	\$ 1,892,432	\$ 1,754,946
Earnings per common share:				
Basic	\$ 0.33	\$ 0.90	\$ 0.34	\$ 0.32
Diluted	\$ 0.32	\$ 0.88	\$ 0.34	\$ 0.31
Common shares and equivalents outstanding:				
Basic	5,572,608	5,518,675	5,574,322	5,528,558
Diluted	5,639,825	5,631,189	5,647,923	5,661,247

See Notes to Consolidated Financial Statements.

TODHUNTER INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Nine Months Ended June 30,	
	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 1,828,042	\$ 4,970,535
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,015,637	3,902,721
Amortization	30,150	67,650
(Gain) loss on sale of property and equipment	65,583	(30,373)
Equity in income of equity investees	(325,970)	(136,035)
Deferred income taxes	109,500	211,500
Changes in assets and liabilities:		
(Increase) decrease in:		
Receivables	(216,167)	(81,183)
Inventories	(4,588,038)	(709,611)
Other current assets	589,848	(787,925)
Increase (decrease) in:		
Accounts payable	3,897,756	(348,117)
Accrued expenses	(181,611)	(314,764)
Other liabilities	421,878	25,413
Net cash provided by operating activities	5,646,608	6,769,811