

ALPHA PRO TECH LTD  
Form 10-Q  
November 10, 2010  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**FORM 10-Q**

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**Quarterly Report pursuant to Section 13 or 15(d)**  
**of the Securities Exchange Act of 1934**

**For the Quarterly Period Ended September 30, 2010**

**Commission File No. 01-15725**

**Alpha Pro Tech, Ltd.**

(exact name of registrant as specified in its charter)

**Delaware, U.S.A.**  
(State or other jurisdiction of incorporation)

**63-1009183**  
(I.R.S. Employer Identification No.)

**Suite 112, 60 Centurian Drive**

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**Markham, Ontario, Canada**  
(Address of principal executive offices)

**L3R 9R2**  
(Zip Code)

Registrant's telephone number, including area code: **(905) 479-0654**

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 (as defined 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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class
Common Stock, \$0.01 par value

Outstanding November 5, 2010
22,424,285 shares

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**Alpha Pro Tech, Ltd.**

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**PART I. FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

Alpha Pro Tech, Ltd. ( "Alpha Pro Tech" or the "Company" ) prepared the following unaudited interim condensed consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC" ). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ( "GAAP" ) have been omitted pursuant to these rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading.

You should read the following unaudited interim condensed consolidated financial statements and the accompanying notes together with the Company's current year filings on Form 10-Q and Form 8-K, as well as the Company's Annual Report on Form 10-K for the year ended December 31, 2009 filed with the SEC. The Company's 2009 Annual Report contains information that may be helpful in analyzing the financial information contained in this report and in comparing its results of operations for the three and nine months ended September 30, 2010 with the same periods in 2009.

Table of Contents**Alpha Pro Tech, Ltd.****Consolidated Balance Sheets (Unaudited)**

	September 30, 2010	December 31, 2009 (1)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 4,751,000	\$ 9,753,000
Accounts receivable, net of allowance for doubtful accounts of \$77,000 at September 30, 2010 and \$65,000 at December 31, 2009	4,774,000	8,593,000
Inventories	17,657,000	13,094,000
Prepaid expenses and other current assets	2,947,000	2,792,000
Deferred income taxes	452,000	457,000
Total current assets	30,581,000	34,689,000
Property and equipment, net	4,264,000	3,843,000
Goodwill	55,000	55,000
Intangible assets, net	164,000	184,000
Equity investments in and advances to unconsolidated affiliates	1,886,000	1,701,000
Total assets	\$ 36,950,000	\$ 40,472,000
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 255,000	\$ 2,963,000
Accrued liabilities	553,000	2,732,000
Total current liabilities	808,000	5,695,000
Deferred income taxes	899,000	906,000
Total liabilities	1,707,000	6,601,000
Shareholders' equity:		
Common stock, \$0.01 par value, 50,000,000 shares authorized, 22,424,285 and 22,419,285 issued and outstanding at September 30, 2010 and December 31, 2009, respectively	224,000	224,000
Additional paid-in capital	23,284,000	23,164,000
Retained earnings	11,735,000	10,483,000
Total shareholders' equity	35,243,000	33,871,000
Total liabilities and shareholders' equity	\$ 36,950,000	\$ 40,472,000

(1) The consolidated balance sheet as of December 31, 2009 has been prepared using information from the audited financial statements at that date.

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



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**Alpha Pro Tech, Ltd.**

**Consolidated Income Statements (Unaudited)**

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
Net sales	\$ 10,325,000	\$ 16,889,000	\$ 33,175,000	\$ 40,763,000
Cost of goods sold	6,537,000	8,680,000	20,177,000	21,564,000
Gross profit	3,788,000	8,209,000	12,998,000	19,199,000
Expenses:				