

Edgar Filing: BROOKS AUTOMATION INC - Form 8-K

BROOKS AUTOMATION INC
Form 8-K
February 07, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant
to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) October 5, 2001

Brooks Automation, Inc.

(Exact Name Of Registrant As Specified In Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-25434

04-3040660

(Commission File Number)

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

15 Elizabeth Drive, Chelmsford, Massachusetts

01824

(Address of Principal Executive Offices)

(Zip Code)

(978) 262-2400

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

ITEM 5 OTHER EVENTS

On October 5, 2001, Brooks Automation, Inc. acquired substantially all of the assets of General Precision, Inc. ("GPI" or the "Company"), in exchange for 850,000 shares of our Common Stock, subject to adjustment based upon calculation of the net book value of the assets on the closing date. GPI is a leading supplier of high-end environmental solutions for the semiconductor industry.

This Current Report on Form 8-K provides unaudited supplemental financial information of GPI as follows:

- (1) Balance Sheets as of September 30, 2001 and December 31, 2000;
- (2) Statements of Operations for the nine months ended September 30, 2001 and September 30, 2000;
- (3) Statements of Cash Flows for the nine months ended September 30, 2001 and September 30, 2000; and

Edgar Filing: BROOKS AUTOMATION INC - Form 8-K

(4) Notes to the Financial Statements.

GENERAL PRECISION, INC.
BALANCE SHEET (UNAUDITED)

	September 30, 2001 ----	December 2000 ----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,669,999	\$ 6,569,999
Accounts receivable, net of allowance for doubtful accounts of \$193,242 and \$260,899 at September 30, 2001 and December 31, 2000, respectively	1,774,024	3,275,024
Inventories	3,886,516	2,762,516
Prepays and other current assets	66,029	34,029
	-----	-----
Total current assets	11,396,568	12,641,568
Property and equipment, net	1,655,624	1,622,624
Other assets	7,800	7,800
	-----	-----
Total assets	\$13,059,992	\$14,270,992
	=====	=====
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 672,459	\$ 782,459
Deferred revenue	767,657	237,657
Capital lease obligations, current portion	119,370	148,370
	-----	-----
Total current liabilities	1,559,486	1,168,486
Capital lease obligations, net of current portion	30,421	105,421
	-----	-----
Total liabilities	1,589,907	1,274,907
	-----	-----
Shareholder's equity:		
Common stock; no par value; 1,000,000 shares authorized; 100,000 shares issued and outstanding	100,000	100,000
Retained earnings	11,370,085	12,896,085
	-----	-----
Total shareholder's equity	11,470,085	12,996,085
	-----	-----
Total liabilities and shareholder's equity	\$13,059,992	\$14,270,992
	=====	=====

GENERAL PRECISION, INC.
STATEMENT OF OPERATIONS (UNAUDITED)

For the nine-months ended
September 30, 2001 September 30, 2000

Edgar Filing: BROOKS AUTOMATION INC - Form 8-K

	-----	-----
Net revenues	\$10,045,767	\$14,840,396
Cost of revenues	5,604,916	8,419,138
	-----	-----
Gross profit	4,440,851	6,421,258
Operating expenses:		
Sales and marketing	359,134	395,675
General and administrative	3,476,488	1,681,648
	-----	-----
Income from operations	605,229	4,343,935
Interest income	126,250	140,871
Interest expense	(13,665)	(22,892)
	-----	-----
Income before provision for taxes	717,814	4,461,914
Provision for taxes	20,054	66,928
	-----	-----
Net income	\$ 697,760	\$ 4,394,986
	=====	=====

GENERAL PRECISION, INC.
STATEMENT OF CASH FLOWS (UNAUDITED)

	For the nine-months e	Se
	September 30,	Se
	2001	Se
	----	Se
Net cash provided by operating activities	\$ 1,704,184	\$ 1
	-----	-----
Cash flows from investing activities:		
Purchase of property and equipment	(275,267)	-----
	-----	-----
Cash flows from financing activities:		
Distributions	(2,224,388)	-----
Payments under capital lease obligations	(104,159)	-----
	-----	-----
Net cash used in financing activities	(2,328,547)	-----
	-----	-----
Increase (decrease) in cash and cash equivalents	(899,630)	1
Cash and cash equivalents, beginning of period	6,569,629	4
	-----	-----
Cash and cash equivalents, end of period	\$ 5,669,999	\$ 6
	=====	=====

General Precision, Inc.
Notes to the Financial Statements (unaudited)

1. THE COMPANY AND BASIS OF PRESENTATION

The unaudited financial statements of General Precision, Inc. (the "Company") included herein have been prepared in accordance with generally accepted accounting principles. In the opinion of management, all material adjustments which are of a normal and recurring nature necessary for a fair presentation of the results for the periods presented have been reflected.

Edgar Filing: BROOKS AUTOMATION INC - Form 8-K

The accompanying financial information should be read in conjunction with the financial statements for the year ended December 31, 2000 and notes thereto contained in Brooks Automation, Inc.'s Current Report on Form 8-K/A, filed with the United States Securities and Exchange Commission on December 7, 2001.

General Precision, Inc. designs, develops and manufactures state-of-the-art products which provide contamination control, process isolation, wafer handling and precise temperature/humidity control solutions to support a wide variety of critical processes and manufacturing applications for the semiconductor, disc-drive, pharmaceutical and aerospace industries. The Company was incorporated in California in 1988. All issued and outstanding stock of the Company is held by a family trust (the "Trust") of which the benefactors are the president and the chief financial officer of the Company.

On October 5, 2001, Brooks Automation, Inc. acquired substantially all of the assets of the Company in exchange for 850,000 shares of Brooks Automation's common stock, subject to adjustment.

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 141 ("SFAS 141"), "Business Combinations". SFAS 141 requires the purchase method of accounting for business combinations initiated after June 30, 2001 and eliminates the pooling-of-interests method. The Company does not believe that the adoption of SFAS 141 will have a significant impact on its financial statements.

In June 2001, the FASB issued Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets", which is effective January 1, 2002. SFAS 142 requires, among other things, the discontinuance of goodwill amortization. In addition, the standard includes provisions for the reclassification of certain existing recognized intangibles as goodwill, reassessment of the useful lives of existing recognized intangibles, reclassification of certain intangibles out of previously reported goodwill and the identification of reporting units for purposes of assessing potential future impairments of goodwill. SFAS 142 also requires companies to complete a transitional goodwill impairment test six months from the date of adoption. The Company does not believe the adoption of SFAS 142 will have a significant impact on its financial statements.

The Company has elected to be taxed under the provisions of the Subchapter S for federal and state income tax purposes. In accordance with the federal provisions, corporate earnings flow through and are taxed solely at the shareholder level. Under the provisions of the California franchise tax laws, S Corporation earnings are assessed a 1.5% surtax at the corporate level and flow through to the shareholder to be taxed at the individual level. The provision for taxes in the accompanying Statement of Operations is for California S corporation franchise taxes. There are no material deferred tax assets or liabilities.

2. CONCENTRATIONS AND RISKS

At September 30, 2001, three customers collectively represented 88% of total trade accounts receivable. At December 31, 2000, four customers collectively represented 59% of total trade accounts receivable.

For the nine-month period ended September 30, 2001, 2 customers represented 33% and 32% percent of total revenues, respectively. For the nine-month period ended September 30, 2000, 3 customers represented 44%, 24% and 17% percent of total revenues, respectively.

3. INVENTORIES

Edgar Filing: BROOKS AUTOMATION INC - Form 8-K

Inventories consist of the following:

	September 30, 2001 ----	December 31, 2000 ----
Raw materials	\$1,353,194	\$1,166,292
Work in process	1,054,430	1,595,871
Finished goods	1,478,892	-
	-----	-----
	\$3,886,516	\$2,762,163
	=====	=====

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	September 30, 2001 ----	December 31, 2000 ----
Machinery and equipment	\$ 884,533	\$ 687,739
Office furniture and equipment	196,028	193,598
Computer equipment and software	212,997	198,689
Leasehold improvements	1,168,457	1,168,457
Autos and trucks	21,057	163,256
	-----	-----
	2,483,072	2,411,739
Less, accumulated depreciation and amortization, including amounts related to equipment under capital leases of \$220,990 and \$135,600 at September 30, 2001 and December 31, 2000, respectively.	 (827,448)	 (789,725)
	-----	-----
Total	\$1,655,624	\$1,622,014
	=====	=====

Property and equipment under capital leases as of September 30, 2001 and December 31, 2000 comprised of \$387,536 of machinery and equipment, \$86,773 of computer equipment and \$23,940 of office furniture and equipment.

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

	September 30, 2001 ----	December 31, 2000 ----
--	-------------------------------	------------------------------

Edgar Filing: BROOKS AUTOMATION INC - Form 8-K

Accounts payable	\$347,558	\$141,865
Professional fees	-	150,000
Accrued payroll and vacation	204,919	132,690
Property taxes payable	-	67,046
California S-corporation taxes payable	24,396	90,319
401 (K) contribution payable	-	150,086
Other	95,586	50,829
	-----	-----
	\$672,459	\$782,835
	=====	=====

6. RELATED PARTY TRANSACTIONS

The president and the chief financial officer are the benefactors of the Trust, which owns 100% of the outstanding shares of the Company.

Leases

The Company leases one facility from the president and the chief financial officer of the Company, under an operating lease agreement, which was due to expire in January 2020. Monthly lease payments under this lease are \$33,200. The president and chief financial officer financed a portion of the purchase of this facility through a loan agreement with a bank. The Company acts as guarantor on the loan between the president and the chief financial officer and the bank. As of September 30, 2001, the amount outstanding under the loan between the bank and the president and the chief financial officer was \$2,683,042. As a result of the acquisition of the Company, the president and chief financial officer entered into a new five-year lease for the facility with Brooks Automation, Inc.

At various times the Company has also leased additional space in separate facilities from the president and the chief financial officer. Payments made under lease obligations to the related party for the nine months ended September 30, 2001 and 2000 were \$530,400 and \$404,100, respectively.

Related Party Receivable

As of September 30, 2001 and December 31, 2000, the Company has a related party receivable of \$20,203 and \$6,709, respectively, for payments made by the Company under a lease agreement entered into on the behalf of a related party company, where the shareholder of the Company is also the owner of the related party. Related party receivable is included in prepaids and other current assets in the accompanying balance sheet.

Distributions

In the nine-month periods ended September 30, 2001 and 2000, the Company made distributions to the shareholder of \$2,224,388 and \$393,101, respectively. In addition, the Company paid in aggregate \$1,786,000 and \$544,000 to the president and the chief financial officer of the Company for salaries for the nine-month periods ended September 30, 2001 and 2000, respectively.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the

Edgar Filing: BROOKS AUTOMATION INC - Form 8-K

undersigned hereunto duly authorized.

Dated: February 7, 2002

BROOKS AUTOMATION, INC.

By: /s/ Ellen B. Richstone

Ellen B. Richstone
Senior Vice President of Finance and
Administration and Chief Financial
Officer