

DIGITAL POWER CORP

Form 10-Q

May 13, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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**FORM 10-Q**

**Quarterly report pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934  
For the quarterly period ended March 31, 2014**

**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**

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**DIGITAL POWER CORPORATION**

*( Exact name of registrant as specified in its charter )*

**California**

**94-1721931**

*(State or other jurisdiction of (I.R.S. Employer Identification Number)  
incorporation or organization)*

**48430 Lakeview Blvd**

**Fremont, CA 94538-3158**

*(Address of principal executive offices)*

**(510) 657-2635**

*(Registrant's telephone number, including area code)*

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    Accelerated filer  
Non-accelerated filer    Smaller reporting company

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 May 12, 2014, the registrant had outstanding 6,838,848 shares of common stock.

**DIGITAL POWER CORPORATION**

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**PART I – FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****DIGITAL POWER CORPORATION AND ITS SUBSIDIARY****CONSOLIDATED BALANCE SHEETS**

U.S. dollars in thousands

	<b>March 31, 2014 Unaudited</b>	<b>December 31, 2013</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,665	\$ 1,696
Trade receivables (net of allowance for doubtful accounts of \$ 146 as of March 31, 2014 and December 31, 2013, respectively)	1,493	2,157
Prepaid expenses and other accounts receivable	205	167
Inventories (Note 3)	1,698	1,751
<u>Total current assets</u>	5,061	5,771
PROPERTY AND EQUIPMENT, NET	605	616
INTANGIBLE ASSET, NET	147	171
INVESTMENT IN TELKOOR	410	406
LONG-TERM DEPOSITS	13	13
<u>Total assets</u>	\$ 6,236	\$ 6,977

The accompanying notes are an integral part of the interim consolidated financial statements.



**DIGITAL POWER CORPORATION AND IT'S SUBSIDIARY****CONSOLIDATED BALANCE****U.S. dollars in thousands**

	<b>March 31, 2014 Unaudited</b>	<b>December 31, 2013</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 841	\$ 1,109
Trade payables - related parties	65	248
Advances from customers and deferred revenue	-	128
Other current liabilities	441	445
<u>Total current liabilities</u>	1,347	1,930
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital -		
Series A Redeemable Convertible Preferred shares, no par value - 500,000 shares authorized; 0 shares issued and outstanding at March 31, 2014 and December 31, 2013	-	-
Preferred shares, no par value - 1,500,000 shares authorized; 0 shares issued and outstanding at March 31, 2014 and December 31, 2013	-	-
Common shares, no par value - 30,000,000 shares authorized; 6,799,100 and 6,853,161 shares issued and outstanding as of March 31, 2014 and December 31, 2013, respectively	-	-
Additional paid-in capital	14,565	14,582
Accumulated deficit	(9,440 )	(9,282 )
Accumulated other comprehensive loss	(236 )	(253 )
<u>Total shareholders' equity</u>	4,889	5,047
<u>Total liabilities and shareholders' equity</u>		