

GP STRATEGIES CORP
Form 10-Q
November 08, 2007

**UNITED STATES
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 September 30, 2007

or

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 1-7234

GP STRATEGIES CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State of Incorporation)

13-1926739
(I.R.S. Employer Identification No.)

6095 Marshalee Drive, Suite 300, Elkridge, MD

21075

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(Address of principal executive offices)

(Zip Code)

(410) 379-3600

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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12(b)-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of issuer's classes of common stock as of October 31, 2007:

Class	Outstanding
Common Stock, par value \$.01 per share	16,849,002 shares

GP STRATEGIES CORPORATION AND SUBSIDIARIES

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Part I. Financial Information**Item 1. Financial Statements****GP STRATEGIES CORPORATION AND SUBSIDIARIES**

Condensed Consolidated Balance Sheets

(In thousands, except per share amounts)

	September 30, 2007 (Unaudited)	December 31, 2006
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,662	\$ 8,660
Accounts and other receivables, less allowance for doubtful accounts of \$790 in 2007 and \$665 in 2006	36,502	26,628
Inventories, net	737	
Costs and estimated earnings in excess of billings on uncompleted contracts	17,683	11,257
Prepaid expenses and other current assets	6,853	6,411
Total current assets	64,437	52,956
Property, plant and equipment	8,373	6,985
Accumulated depreciation	(5,568)	(5,126)
Property, plant and equipment, net	2,805	1,859
Goodwill	59,918	56,815
Intangible assets, net of accumulated amortization of \$2,439 in 2007 and \$916 in 2006	5,759	645
Deferred tax assets	2,235	7,420
Other assets	2,878	1,705
	\$ 138,032	\$ 121,400
Liabilities and Stockholders Equity		
Current liabilities:		
Short-term borrowings	\$ 3,330	\$
Current maturities of long-term debt	2,729	30
Accounts payable and accrued expenses	28,569	22,903
Billings in excess of costs and estimated earnings on uncompleted contracts	6,491	6,881
Total current liabilities	41,119	29,814
Long-term debt less current maturities	5,251	10,896
Other noncurrent liabilities	1,040	959
Total liabilities	47,410	41,669
Stockholders' equity:		
Common stock, par value \$0.01 per share	178	178
Additional paid-in capital	157,436	159,042
Accumulated deficit	(58,711)	(65,558)
Treasury stock at cost	(7,900)	(13,167)
Accumulated other comprehensive loss	(381)	(640)
Note receivable from stockholder		(124)
Total stockholders' equity	90,622	79,731
	\$ 138,032	\$ 121,400

See accompanying notes to condensed consolidated financial statements.

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

(Unaudited)

(In thousands, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Revenue	\$ 60,837	\$ 44,051	\$ 178,038	\$ 133,358
Cost of revenue	51,790	37,141	151,645	