

SERVOTRONICS INC /DE/
Form SC 13G/A
February 13, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Schedule 13G/A

Under the Securities Exchange Act of 1934

(Amendment No. 20)*

SERVOTRONICS, INC.

(Name of Issuer)

Common Stock, par value \$0.20 per share

(Title of Class of Securities)

81773232 10 0

(CUSIP Number)

December 31, 2008

(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

	Names of Reporting Persons	
1	Servotronics, Inc. Employee Stock Ownership Trust	
2	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) <input type="radio"/> (b) <input type="radio"/>
3	SEC Use Only	
	Citizenship or Place of Organization	
4	New York	
		Sole Voting Power
	5	305,061
		Shared Voting Power
	6	0
		Sole Dispositive Power
	7	769,887
		Shared Dispositive Power
	8	0
9	Aggregate Amount Beneficially Owned by Each Reporting Person	
		769,887
10	Check if the Aggregate Amount in Row (9) Excludes Certain Shares	
	(See Instructions)	
11	Percent of Class Represented by Amount in Row (9)	
		34.4%
12	Type of Reporting Person (See Instructions)	
	EP	

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SCHEDULE 13G

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AMENDMENT NO. 20
TO
SCHEDULE 13G

SERVOTRONICS, INC.

Item 1(a)

Name of Issuer:

Servotronics, Inc.

Item 1(b)

Address of Issuer's Principal Executive Offices:

1110 Maple Street, Elma, New York 14059

Item 2(a)

Name of Person Filing:

Servotronics, Inc. Employee Stock Ownership Trust (the "ESOT")

Item 2(b)

Address of Principal Business Office:

1110 Maple Street, Elma, New York 14059

Item 2(c)

Citizenship:

The ESOT is a trust organized in the State of New York.

Item 2(d)

Title of Class of Securities:

Common Stock, \$.20 par value

Item 2(e)

CUSIP Number:

81773232 10 0

Item This Statement is Filed Pursuant to Rule 13d-1(b) by an:

3

(f) An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F).

x

Item Ownership (as of December 31, 2008):

4

(a)

Amount Beneficially Owned:

769,887

(b)

Percent of Class:

34.4%

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(c)The ESOT has sole dispositive power with respect to 769,887 shares and sole voting power with respect to approximately 305,061 shares.

Item 5 Ownership of Five Percent or Less of a Class:

Not applicable.

Item 6 Ownership of More than Five Percent on Behalf of Another Person:

Not applicable.

Item 7 Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person:

Not applicable.

Item 8 Identification and Classification of Members of the Group:

Not applicable.

Item 9 Notice of Dissolution of Group:

Not applicable.

Item 10 Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 10, 2009

SERVOTRONICS, INC. EMPLOYEE STOCK OWNERSHIP TRUST

By: /s/ Nicholas D. Trbovich, Trustee
Nicholas D. Trbovich, a Trustee

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17,700

12,583

Amortization of intangible assets

328

362

726

394

In process research and development

2,230

2,230

Other costs

439

	1,863
Total operating expenses	
	24,521
	16,280
	44,076
	26,012
Operating income	
	12,730
	6,958
	22,858
	26,136
Interest income (expense), net	
	320
	(20
)	

	669
	828
Income before income taxes	
	13,050
	6,938
	23,527
	26,964
Provision for income taxes	
	2,000
	1,881
	3,034
	4,036
Net income	
	11,050

5,057

20,493

22,928

Net income per share:

Basic

\$	0.39
\$	0.46
\$	0.73
\$	2.07
Diluted	
\$	0.38
\$	0.46
\$	0.71
\$	2.07

Weighted average common shares and class B preferred ordinary shares, respectively (in thousands), used in computing net income per share

Basic	28,372
	11,099
	28,246
	11,099

Diluted

29,089

11,099

28,993

11,099

Pro forma net income per common share from continuing operations (a)

Basic		
\$		0.39
\$		0.20
\$		0.73
\$		0.97
Diluted		
\$		0.38
\$		0.20
\$		0.71
\$		

Weighted-average common shares (in thousands), used in computing the pro forma net income per share:

Basic	28,372
	25,146

	28,246
	23,628
Diluted	
	29,089
	25,822
	28,993
	24,421

(a) Pro forma net income per share reflects the conversion of Xyratex Group Limited class A and class B preferred ordinary shares and class C ordinary shares to common shares of Xyratex Ltd on completion of its initial public offering, on June 29, 2004.

XYRATEX LTD

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	May 31, 2005	November 30, 2004
	(US dollars and amounts in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 66,595	\$ 63,495
Accounts receivable, net	65,473	49,656
Inventories	71,738	43,014
Prepaid expenses	2,499	2,594
Deferred income taxes	9,925	6,774
Other current assets	3,216	2,855
Total current assets	219,446	168,388
Property, plant and equipment, net	16,290	14,495
Intangible assets, net	27,598	7,911
Deferred income taxes	9,172	14,448
Total assets	\$ 272,506	\$ 205,242
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 73,590	\$ 47,067
Acquisition note payable	3,000	2,000
Short-term borrowings	4,000	4,000
Employee compensation and benefits payable	11,149	10,811
Deferred revenue	20,063	1,887
Income taxes payable	302	462
Deferred income taxes	788	536
Other accrued liabilities	10,975	10,778
Total current liabilities	123,867	77,541
Long-term debt	9,000	11,000
Total liabilities	132,867	88,541
Shareholders equity		
Common shares of Xyratex Ltd (in thousands), par value \$0.01 per share 70,000 authorized, 28,403 and 28,043 issued and outstanding	284	280
Additional paid-in capital	332,862	329,267
Accumulated other comprehensive income	(399)	755
Accumulated deficit	(193,108)	(213,601)
Total shareholders equity	139,639	116,701
Total liabilities and shareholders equity	\$ 272,506	\$ 205,242

XYRATEX LTD

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended	
	May 31, 2005	May 31, 2004
	(US dollars in thousands)	
Cash flows from operating activities:		
Net income	\$ 20,493	\$ 22,928
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	3,166	2,516
Amortization of intangible assets	726	394
Non-cash equity compensation	381	
Bonus paid by trust	144	
Gain on sale of assets		(36)
Supplier note receivable		(6,000)
Changes in assets and liabilities, net of impact of acquisitions and divestitures		
Accounts receivable	(15,291)	(4,728)
Inventories	(18,696)	(4,083)
Prepaid expenses and other current assets	(1,658)	(2,506)
Accounts payable	21,715	2,416
Customer advance		(920)
Employee compensation and benefits payable	284	(4,137)
Deferred revenue	1,069	(9,362)
Income taxes payable	(160)	234
Deferred income taxes	4,104	3,400
Other accrued liabilities	(1,364)	1,602
Net cash provided by operating activities	14,913	1,718
Cash flows from investing activities:		
Investments in property, plant and equipment	(4,524)	(3,766)
Dispositions of property, plant and equipment		36
Acquisition of business, net of cash received	(5,131)	(6,015)
Net cash used in investing activities	(9,655)	(9,745)
Cash flows from financing activities:		
Net proceeds from short-term borrowings		3,841
Payment of acquisition note payable	(2,000)	
Payments of long-term borrowings	(2,000)	(2,000)
Proceeds from issuance of shares	1,842	4,255
Net cash provided by (used in) financing activities	(2,158)	6,096
Change in cash and cash equivalents	3,100	(1,931)
Cash and cash equivalents at beginning of period	63,495	2,008
Cash and cash equivalents at end of period	66,595	\$ 77

XYRATEX LTD

UNAUDITED RECONCILIATION OF GAAP NET INCOME FROM CONTINUING OPERATIONS TO NON-GAAP NET INCOME

	GAAP May 31, 2005	Three Months Ended Non-GAAP Adjustment (a)	Non-GAAP May 31, 2005
(US dollars in thousands, except per share amounts)			
Revenues	\$ 169,604		\$ 169,604
Cost of revenues	132,353		132,353
Gross profit	37,251		37,251
Operating expenses:			
Research and development - other	12,858		12,858
Total research and development	12,858		12,858
Selling, general and administrative - non cash equity compensation	191	(191)	
Selling, general and administrative - other	8,914		8,914
Total selling, general and administrative	9,105		8,914
Amortization of intangible assets	328	(328)	
In process research and development	2,230	(2,230)	
Total operating expenses	24,521		21,772
Operating income	12,730		15,479
Interest income, net	320		320
Income before income taxes	13,050		15,799
Provision for income taxes	2,000	767	2,767
Net income	\$ 11,050		\$ 13,032
Pro forma net income per common share			
Basic	\$ 0.39		\$ 0.46
Diluted	\$ 0.38		\$ 0.45
Weighted-average common shares (in thousands), used in computing the pro forma net income per share:			
Basic	28,372		28,372
Diluted	29,089		29,089

	GAAP May 31, 2005	Six Months Ended Non-GAAP Adjustment (a)	Non-GAAP May 31, 2005
	(US dollars in thousands, except per share amounts)		
Revenues	\$ 312,127		\$ 312,127
Cost of revenues	245,193		245,193
Gross profit	66,934		66,934
Operating expenses:			
Research and development - other	23,420		23,420
Total research and development	23,420		23,420
Selling, general and administrative - non cash equity compensation	381	(381)	
Selling, general and administrative - other	17,319		17,319
Total selling, general and administrative	17,700		17,319
Amortization of intangible assets	726	(726)	
In process research and development	2,230	(2,230)	
Total operating expenses	44,076		40,739
Operating income	22,858		26,195
Interest income, net	669		669
Income before income taxes	23,527		26,864
Provision for income taxes	3,034	887	3,921
Net income	\$ 20,493		\$ 22,943
Pro forma net income per common share			
Basic	\$ 0.73		\$ 0.81
Diluted	\$ 0.71		\$ 0.79
Weighted-average common shares (in thousands), used in computing the pro forma net income per share:			
Basic	28,246		28,246
Diluted	28,993		28,993

	GAAP May 31, 2004	Three Months Ended Non-GAAP Adjustment (a)	Non-GAAP May 31, 2004
(US dollars in thousands, except per share amounts)			
Revenues	\$ 108,122		\$ 108,122
Cost of revenues - other	84,884		84,884
Gross profit	23,238		23,238
Operating expenses:			
Research and development - development arrangement			
Research and development - other	9,222		9,222
Total research and development	9,222		9,222
Selling, general and administrative - other	6,257		6,257
Total selling, general and administrative	6,257		6,257
Amortization of intangible assets	362	(362)	
Other costs	439	(439)	
Total operating expenses	16,280		15,479
Operating income	6,958		7,759
Interest income (expense), net	(20)		(20)
Income before income taxes	6,938		7,739
Provision for income taxes	1,881	109	1,990
Net income	\$ 5,057		\$ 5,749
Pro forma net income per common share			
Basic	\$ 0.20		\$ 0.23
Diluted	\$ 0.20		\$ 0.22
Weighted-average common shares (in thousands), used in computing pro forma net income per share:			
Basic	25,146		25,146
Diluted	25,822		25,822

	GAAP May 31, 2004	Six Months Ended Non-GAAP Adjustment (a)	Non-GAAP May 31, 2004
(US dollars in thousands, except per share amounts)			
Revenues	\$ 227,407		\$ 227,407
Cost of revenues - other	175,259		175,259
Gross profit	52,148		52,148
Operating expenses:			
Research and development - development arrangement	(6,000)	6,000	
Research and development - other	17,172		17,172
Total research and development	11,172		17,172
Selling, general and administrative - other	12,583		12,583
Total selling, general and administrative	12,583		12,583
Amortization of intangible assets	394	(394)	
Other costs	1,863	(1,863)	
Total operating expenses	26,012		29,755
Operating income	26,136		22,393
Interest income (expense), net	828	(933)	(105)
Income before income taxes	26,964		22,288
Provision for income taxes	4,036	(162)	3,874
Net income	\$ 22,928		\$ 18,414
Pro forma net income per common share			
Basic	\$ 0.97		\$ 0.78
Diluted	\$ 0.94		\$ 0.75
Weighted-average common shares (in thousands), used in computing pro forma net income per share:			
Basic	23,628		23,628
Diluted	24,421		24,421

(a) Non-GAAP Adjustment for the three and six month periods ended May 31, 2005 includes non-cash equity compensation expense and non-cash amortization of intangible assets and the related tax effect. Non-GAAP adjustment for the three months ended May 31, 2005 also includes in process research and development expense and the related tax effect. Non-GAAP Adjustment for the three and six month periods ended May 31, 2004 includes expenses recorded in connection with our preparation for our initial public offering and non-cash amortization of intangible assets and the related tax effect. Non-GAAP Adjustment for the six months ended May 31, 2004 also includes elimination of the bad debt allowance on a supplier loan of \$6,000,000 and accrued interest of \$933,000 together with the related tax on the accrued interest.

We believe these Non-GAAP measures are useful to investors because they provide an alternative method of measuring the operating performance of our business by excluding certain expenses, gains and losses which we believe are not indicative of our core operating results.

(b) Pro forma earnings per share reflects the conversion of Xyratex Group Limited class A and class B preferred ordinary shares and class C ordinary shares to common shares of Xyratex Ltd on completion of its initial public offering, on June 29, 2004.

SIGNATURES

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 undersigned, thereunto duly authorized.

XYRATEX LTD
(Registrant)

By

/s/ STEVE BARBER
Name: Steve Barber
Title: Chief Executive Officer

Date: June 23, 2005