

Edgar Filing: RICKS CABARET INTERNATIONAL INC - Form 10QSB

RICKS CABARET INTERNATIONAL INC
Form 10QSB
May 20, 2005

=====

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

FORM 10-QSB

- Quarterly report pursuant to Section 13 Or 15(d) of the Securities Exchange Act of 1934; For the quarterly period ended: March 31, 2005
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 0-26958

RICK'S CABARET INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Texas 76-0458229
(State or other jurisdiction IRS Employer
of incorporation or organization) Identification No.)

10959 Cutten Road
Houston, Texas 77066
(Address of principal executive offices, including zip code)

(281) 397-6730
(Registrant's telephone number, including area code)

APPLICABLE ONLY TO CORPORATE ISSUERS

On May 4, 2005, there were 3,907,148 shares of common stock, \$.01 par value, outstanding.

Transitional Small Business Disclosure Format (check one): Yes No

RICK'S CABARET INTERNATIONAL, INC.

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets as of March 31, 2005 (unaudited) and September 30, 2004 (audited) 1

Consolidated Statements of Operations for the three months and six months ended March 31, 2005 and 2004 (unaudited) 3

Consolidated Statements of Cash Flows for the six months

Edgar Filing: RICKS CABARET INTERNATIONAL INC - Form 10QSB

ended March 31, 2005 and 2004 (unaudited)	4
Notes to Consolidated Financial Statements	5
Item 2. Management's Discussion and Analysis or Plan of Operations	9
Item 3. Controls and Procedures	15
PART II OTHER INFORMATION	
Item 2. Unregistered sales of equity securities and use of proceeds	15
Item 6. Exhibits	16
Signatures	17

i

PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

ASSETS

	03/31/05 (UNAUDITED)	9/30/04 (AUDITED)
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,611,907	\$ 275,243
Accounts receivable		
Trade	97,539	72,909
Other, net	304,927	204,093
Marketable securities	44,491	122,350
Inventories	191,742	232,746
Prepaid expenses and other current assets	296,625	976,577
Net assets of discontinued operations	---	27,674
	-----	-----
Total current assets	2,547,231	1,911,592
	-----	-----
PROPERTY AND EQUIPMENT		
Buildings, land and leasehold improvements	10,681,587	9,394,619
Furniture and equipment	2,074,701	1,946,583
	-----	-----
	12,756,288	11,341,202
Accumulated depreciation	(2,914,310)	(2,659,762)
	-----	-----
Total property and equipment, net	9,841,978	8,681,440
	-----	-----
OTHER ASSETS		

Edgar Filing: RICKS CABARET INTERNATIONAL INC - Form 10QSB

Goodwill, net	1,898,926	1,898,926
Other intangible assets, net	7,842,798	---
Other	523,249	432,658
	-----	-----
Total other assets	10,264,973	2,331,584
	-----	-----
Total assets	\$ 22,654,182	\$ 12,924,616
	=====	=====

1

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	03/31/05 (UNAUDITED)	9/30/04 (AUDITED)
CURRENT LIABILITIES		
Accounts payable - trade	\$ 432,821	\$ 291,650
Accrued liabilities	826,871	588,883
Current portion of long-term debt	1,034,192	492,310
	-----	-----
Total current liabilities	2,293,884	1,372,843
Deferred gain on sale of subsidiary	163,739	163,739
Long-term debt less current portion	11,523,855	3,201,250
	-----	-----
Total liabilities	13,981,478	4,737,832
	-----	-----
COMMITMENTS AND CONTINGENCIES		
	---	---
MINORITY INTERESTS		
	47,223	40,808
STOCKHOLDERS' EQUITY		
Preferred stock, \$.10 par, 1,000,000 shares authorized; none outstanding	---	---
Common stock, \$.01 par, 15,000,000 shares authorized; 4,815,678 and 4,608,678 shares issued	48,157	46,087
Additional paid-in capital	11,772,849	11,273,149
Accumulated other comprehensive income	31,143	109,002
Accumulated deficit	(1,932,888)	(1,988,482)
Less 908,530 shares of common stock held in treasury, at cost	(1,293,780)	(1,293,780)
	-----	-----
Total stockholders' equity	8,625,481	8,145,976
	-----	-----
Total liabilities and stockholders' equity	\$ 22,654,182	\$ 12,924,616
	=====	=====

2

Edgar Filing: RICKS CABARET INTERNATIONAL INC - Form 10QSB

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE SI ENDED MA
	2005	2004 (UNAUDITED)	2005
Continuing Operations:			
Revenues			
Sales of alcoholic beverages	\$ 1,192,768	\$ 1,539,493	\$ 2,403,044
Sales of food and merchandise	413,996	395,605	791,098
Service revenues	1,586,890	1,437,044	3,092,841
Internet revenues	180,729	202,678	367,960
Other	69,007	124,235	120,657
	-----	-----	-----
Total revenues	3,443,390	3,699,055	6,775,600
	-----	-----	-----
Operating expenses			
Cost of goods sold	448,165	441,026	845,935
Salaries and wages	1,203,595	1,227,837	2,411,544
Other general and administrative			
Taxes and permits	477,037	523,556	921,627
Charge card fees	55,609	57,399	115,296
Rent	105,875	84,431	177,823
Legal and professional	178,753	140,052	346,079
Advertising and marketing	215,796	200,575	357,602
Depreciation and amortization	140,453	130,493	267,242
Other	618,081	479,884	1,177,199
	-----	-----	-----
Total operating expenses	3,443,364	3,285,253	6,620,347
	-----	-----	-----
Income (loss) from continuing operations	26	413,802	(155,253)
Other income (expense):			
Interest income	11,556	9,060	20,745
Interest expense	(167,835)	(78,371)	(256,949)
Gain from sale of marketable securities	-	16,878	-
Minority interests	(6,877)	1,020	(6,414)
Other	46	(5,171)	(734)
	-----	-----	-----
Net income (loss) from continuing operations	(163,084)	357,218	(88,099)
Discontinued operations:			
Income (loss) from discontinued operations	(66,825)	11,036	(148,294)
Gain on sale of discontinued operations	291,987	-	291,987
	-----	-----	-----
Net income	\$ 62,078	\$ 368,254	\$ 55,594
	=====	=====	=====
Basic and diluted earnings per share:			
Income (loss) from continuing operations	\$ (0.04)	\$ 0.10	\$ (0.02)
Income from discontinued operations	0.06	0.00	0.04
	-----	-----	-----
Net income, basic	\$ 0.02	\$ 0.10	\$ 0.02
	=====	=====	=====
Net income, diluted	\$ 0.02	\$ 0.10	\$ 0.01
	=====	=====	=====
Weighted average number of common shares outstanding:			

Edgar Filing: RICKS CABARET INTERNATIONAL INC - Form 10QSB

Basic	3,782,481	3,700,148	3,741,315
	=====	=====	=====
Diluted	3,964,987	3,700,148	3,923,821
	=====	=====	=====