

NATHANS FAMOUS INC
Form 10-Q
November 06, 2006

FORM 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Act of 1934 for the quarterly period ended **September 24, 2006.**

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Act of 1934 for the transition period from _____ to _____.

Commission File Number 0-3189

NATHAN'S FAMOUS, INC.

(Exact name of registrant as specified in its charter)

Delaware

11-3166443

(State or other jurisdiction of incorporation (IRS employer identification number)
or organization)

1400 Old Country Road, Westbury, New York 11590

(Address of principal executive offices including zip code)

(516) 338-8500

(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 12b-2 of the Exchange Act). Yes ☐ No ☒

At November 3, 2006, an aggregate of 5,903,783 shares of the registrant's common stock, par value of \$.01, were outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

Nathan's Famous, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	September 24, 2006 (Unaudited)	March 26, 2006
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,696	\$ 3,009
Marketable securities	21,440	16,882
Notes and accounts receivable, net	4,635	3,908
Inventories	628	817
Assets held for sale	50	-
Prepaid expenses and other current assets	355	1,019
Deferred income taxes	1,187	1,364
Total current assets	31,991	26,999
Notes receivable, net	60	137
Property and equipment, net	4,406	4,568
Goodwill	95	95
Intangible assets, net	3,760	3,884
Deferred income taxes	1,469	1,484
Other assets, net	247	256
	\$ 42,028	\$ 37,423
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of capital lease obligation	\$ -	\$ 8
Accounts payable	2,235	2,091
Accrued expenses and other current liabilities	5,510	5,606
Deferred franchise fees	491	219
Total current liabilities	8,236	7,924
Capital lease obligation, less current maturities	-	31
Other liabilities	1,353	1,420
Total liabilities	9,589	9,375

COMMITMENTS AND CONTINGENCIES (Note J)**STOCKHOLDERS' EQUITY**

Common stock, \$.01 par value; 30,000,000 shares authorized;

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7,762,633 and 7,600,399 shares issued; 5,871,533 and 5,709,299		
shares outstanding at September 24, 2006 and March 26, 2006, respectively	78	76
Additional paid-in capital	44,681	43,699
Deferred compensation	(172)	(208)
Accumulated deficit	(4,957)	(8,197)
Accumulated other comprehensive loss	(33)	(164)
	39,597	35,206
Treasury stock, at cost, 1,891,100 shares at September 24, 2006 and March 26, 2006	(7,158)	(7,158)
Total stockholders' equity	32,439	28,048
	\$ 42,028	\$ 37,423

The accompanying notes are an integral part of these statements.

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Nathan's Famous, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS

Thirteen weeks ended September 24, 2006 and September 25, 2005

(in thousands, except share and per share amounts)

(Unaudited)

	September 24, 2006	September 25, 2005
REVENUES		
Sales	\$ 10,229	\$ 8,780
Franchise fees and royalties	1,756	