

RICKS CABARET INTERNATIONAL INC
Form 10QSB
February 13, 2007

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

FORM 10-QSB

T Quarterly report pursuant to Section 13 Or 15(d) of the Securities Exchange Act of 1934; For the quarterly period ended: December 31, 2006

£ 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
(State or other jurisdiction of incorporation or organization)

76-0458229
(IRS Employer 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)

Check whether the issuer: (i) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (ii) has been subject to such filing requirements for the past 90 days. Yes T No £

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

APPLICABLE ONLY TO CORPORATE ISSUERS

On February 2, 2007, there were 5,347,405 shares of common stock, \$.01 par value, outstanding (this amount excludes treasury shares).

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

RICK'S CABARET INTERNATIONAL, INC.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	12/31/06 (UNAUDITED)	9/30/06 (AUDITED)
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,462,535	\$ 854,932
Accounts receivable		
Trade	270,536	192,385
Other, net	185,244	186,554
Marketable securities	6,674	22,245
Inventories	358,759	291,623
Prepaid expenses and other current assets	151,256	140,428
Total current assets	2,435,004	1,688,167
PROPERTY AND EQUIPMENT:		
Buildings, land and leasehold improvements	18,318,076	17,537,381
Furniture and equipment	4,743,196	4,121,443
	23,061,272	21,658,824
Accumulated depreciation	(4,564,230)	(4,234,981)
Total property and equipment, net	18,497,042	17,423,843
OTHER ASSETS:		
Goodwill and indefinite lived intangibles	11,230,791	10,505,452
Definite lived intangibles, net	721,724	525,076
Other	395,055	460,337
Total other assets	12,347,570	11,490,865
Total assets	\$ 33,279,616	\$ 30,602,875

See accompanying notes to consolidated financial statements.

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

LIABILITIES AND STOCKHOLDERS' EQUITY

	12/31/06 (UNAUDITED)	9/30/06 (AUDITED)
CURRENT LIABILITIES:		
Accounts payable - trade	\$ 662,532	\$ 554,979
Accrued liabilities	1,162,817	1,118,974
Current portion of long-term debt	2,374,818	2,278,315
Total current liabilities	4,200,167	3,952,268
Other long-term liabilities	330,353	299,701
Long-term debt-related parties	2,053,788	1,386,909
Long-term debt less current portion	9,572,199	10,255,509
Total liabilities	16,156,507	15,894,387
COMMITMENTS AND CONTINGENCIES	-	-
MINORITY INTERESTS	527,578	-
TEMPORARY EQUITY - Common stock, subject to put rights (285,000 and 160,000 shares, respectively)	1,800,000	800,000
PERMANENT STOCKHOLDERS' EQUITY:		
Preferred stock, \$.10 par, 1,000,000 shares authorized; none issued and outstanding	-	-
Common stock, \$.01 par, 15,000,000 shares authorized; 5,958,045 and 5,805,275 shares issued	59,580	58,053
Additional paid-in capital	16,134,367	15,586,233
Accumulated other comprehensive income	(6,674)	8,898
Accumulated deficit	(97,962)	(450,916)
Less 908,530 shares of common stock held in treasury, at cost	(1,293,780)	(1,293,780)
Total permanent stockholders' equity	14,795,531	13,908,488
Total liabilities and stockholders' equity	\$ 33,279,616	\$ 30,602,875

See accompanying notes to consolidated financial statements.

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

	FOR THE THREE MONTHS ENDED DECEMBER 31,	
	2006	2005
	(UNAUDITED)	(UNAUDITED)
Revenues:		
Sales of alcoholic beverages	\$ 2,594,598	\$ 2,169,995
Sales of food and merchandise	664,088	638,724
Service revenues	3,351,798	2,594,801
Internet revenues	187,978	209,157
Other		