

GOOD TIMES RESTAURANTS INC
Form 10-Q/A
August 22, 2014

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

**FORM 10-Q/A
(AMENDMENT NO. 1)**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended June 30, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
Commission File Number: 0-18590

GOOD TIMES RESTAURANTS, INC.

(Exact Name of Registrant as Specified in Its Charter)

NEVADA
(State or Other Jurisdiction of
Incorporation or Organization)

84-1133368
(I.R.S. Employer Identification
Number)

601 CORPORATE CIRCLE, GOLDEN, CO 80401
(Address of Principal Executive Offices, Including Zip Code)
(303) 384-1400
(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 Yes No
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. [x] []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or
a smaller reporting company, as defined in Rule 12b-2 of the Exchange Act

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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

As of August 11, 2014, there were 7,485,366 shares of the Registrant's common stock, par value \$0.001 per share, issued and outstanding.

EXPLANATORY NOTE

We are filing this Amendment No. 1 on Form 10-Q/A (the Amendment) to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, as filed with the Securities and Exchange Commission on August 14, 2014 (the Original Filing). The purpose of this Amendment is solely to amend Item 2 of Part 2 to disclose information about unregistered sales of equity securities.

No other sections were affected, but for the convenience of the reader, the Company is filing this Form 10-Q/A in its entirety with all applicable changes. This Amendment is presented as of the filing date of the Original Filing and does not reflect events occurring after that date, or modify or update disclosures in any way other than as required to make the necessary amendments to Item 2 of Part 2.

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CERTIFICATIONS

PART I. - FINANCIAL INFORMATION**ITEM 1.****FINANCIAL STATEMENTS****GOOD TIMES RESTAURANTS, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)**

<u>ASSETS</u>	June 30, 2014	September 30, 2013
CURRENT ASSETS:		
Cash and cash equivalents	\$	\$
	8,188,000	6,143,000
Receivables, net of allowance for doubtful accounts of \$0	255,000	193,000
Prepaid expenses and other	153,000	106,000
Inventories	218,000	184,000
Notes receivable	<u>4,000</u>	<u>15,000</u>
Total current assets	8,818,000	6,641,000
PROPERTY, EQUIPMENT AND CAPITAL LEASES		
Land and building	4,729,000	4,628,000
Leasehold improvements	4,299,000	3,247,000
Fixtures and equipment	<u>8,561,000</u>	<u>7,420,000</u>
Total property, equipment and capital leases	17,589,000	15,295,000
Less accumulated depreciation and amortization	<u>(12,917,000)</u>	<u>(12,444,000)</u>
Total net property, equipment and capital leases	4,672,000	2,851,000
OTHER ASSETS:		
Notes receivable	11,000	0
Investment in affiliate	491,000	273,000
Goodwill	96,000	96,000
Deposits and other assets	<u>21,000</u>	<u>14,000</u>
Total other assets	<u>619,000</u>	<u>383,000</u>
TOTAL ASSETS	\$	\$
	<u>14,109,000</u>	<u>9,875,000</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Current maturities of long-term debt and capital lease obligations	\$	\$
	47,000	44,000
Accounts payable	800,000	701,000
Deferred income	119,000	79,000
Other accrued liabilities	<u>1,042,000</u>	<u>983,000</u>
Total current liabilities	2,008,000	1,807,000
LONG-TERM LIABILITIES:		
Capital lease obligations due after one year	51,000	74,000

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Long-term debt due after one year	8,000	20,000
Deferred and other liabilities	<u>638,000</u>	<u>653,000</u>
Total long-term liabilities	697,000	747,000

STOCKHOLDERS EQUITY:

Good Times Restaurants, Inc. stockholders' equity:

Preferred stock, \$.01 par value; 5,000,000 shares authorized, no shares issued and outstanding as of June 30, 2014 and 355,451 issued and outstanding as of September 30, 2013 (liquidation preference \$1,500,000)	0	4,000
Common stock, \$.001 par value; 50,000,000 shares authorized, 7,476,830 shares issued and outstanding as of June 30, 2014 and 4,926,214 shares issued and outstanding as of September 30, 2013	7,000	5,000
Capital contributed in excess of par value	30,973,000	26,334,000
Accumulated deficit	<u>(19,864,000)</u>	<u>(19,264,000)</u>
Total Good Times Restaurants, Inc. stockholders' equity	11,116,000	7,079,000
Non-controlling interest in partnerships	<u>288,000</u>	<u>242,000</u>
Total stockholders' equity	<u>11,404,000</u>	<u>7,321,000</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	\$

	<u>14,109,000</u>	<u>9,875,000</u>
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See accompanying notes to condensed consolidated financial statements

GOOD TIMES RESTAURANTS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended June 30,		Nine months ended June 30,	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
NET REVENUES:				
Restaurant sales	\$	\$	\$	\$
	7,464,000	6,394,000	19,450,000	16,092,000
Franchise royalties	<u>108,000</u>	<u>93,000</u>	<u>274,000</u>	<u>266,000</u>
Total net revenues	7,572,000	6,487,000	19,724,000	16,358,000
RESTAURANT OPERATING COSTS:				
Food and packaging costs	2,493,000	2,149,000	6,472,000	5,503,000
Payroll and other employee benefit costs	2,425,000	2,104,000	6,560,000	5,683,000
Restaurant occupancy and other operating costs	1,242,000	1,126,000	3,505,000	3,156,000
Preopening costs	80,000	29,000	449,000	29,000
Depreciation and amortization	<u>180,000</u>	<u>169,000</u>	<u>483,000</u>	<u>537,000</u>
Total restaurant operating costs	6,420,000	5,577,000	17,469,000	14,908,000
General and administrative costs	529,000	390,000	1,583,000	1,171,000
Advertising costs	292,000	275,000	779,000	704,000
Franchise costs	22,000	17,000	64,000	48,000
Gain on restaurant asset sale	<u>(7,000)</u>	<u>(6,000)</u>	<u>(19,000)</u>	<u>(86,000)</u>
Income (loss) From Operations	316,000	234,000	(152,000)	(387,000)
Other Income (Expenses):				
Interest income (expense), net	2,000	(2,000)	5,000	(45,000)
Affiliate investment income (expense)	(44,000)	(23,000)	(157,000)	(23,000)
Other income (loss)	<u>(2,000)</u>	<u>(1,000)</u>	<u>(8,000)</u>	<u>(4,000)</u>
Total other expenses, net	<u>(44,000)</u>	<u>(26,000)</u>	<u>(160,000)</u>	<u>(72,000)</u>
NET INCOME (LOSS)	\$	\$		
	272,000	208,000	<u>(\$312,000)</u>	<u>(\$459,000)</u>
Income attributable to non-controlling interests	(110,000)	(67,000)	(229,000)	(65,000)
NET INCOME (LOSS) ATTRIBUTABLE TO GOOD TIMES RESTAURANTS, INC	\$	\$		
	162,000	141,000	<u>(\$541,000)</u>	<u>(\$524,000)</u>
Preferred stock dividends	<u>0</u>	<u>(30,000)</u>	(59,000)	<u>(90,000)</u>
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$	\$		
	<u>162,000</u>	<u>111,000</u>	<u>(\$600,000)</u>	<u>(\$614,000)</u>
BASIC AND DILUTED INCOME (LOSS) PER SHARE:				

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Net income (loss) attributable to Common Shareholders	\$	\$		
		.02	.04	(\$.11)
				(\$.23)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic	6,870,145	2,726,214	5,649,110	2,726,214
Diluted	7,376,405	2,746,848	N/A	N/A

See accompanying notes to condensed consolidated financial statements

GOOD TIMES RESTAURANTS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Nine months ended	
	June 30,	
	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	(\$312,000)	(\$459,000)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	483,000	537,000
Accretion of deferred rent	22,000	30,000
Amortization of debt issuance costs	0	6,000
Stock based compensation expense		