

BUILD A BEAR WORKSHOP INC
Form 10-Q
May 10, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2012

OR

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number: 001-32320

BUILD-A-BEAR WORKSHOP, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

43-1883836
(IRS Employer
Identification No.)

1954 Innerbelt Business Center Drive
St. Louis, Missouri
(Address of Principal Executive Offices)

63114
(Zip Code)

(314) 423-8000
(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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of May 8, 2012, there were 17,393,600 issued and outstanding shares of the registrant’s common stock.

BUILD-A-BEAR WORKSHOP, INC.
INDEX TO FORM 10-Q

		Page
Part I Financial Information		
Item 1.	Financial Statements (Unaudited)	3
	Consolidated Balance Sheets	3
	Consolidated Statements of Operations and Comprehensive Income	4
	Consolidated Statements of Cash Flows	5
	Notes to Consolidated Financial Statements	6
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	10
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	16
Item 4.	Controls and Procedures	17
Part II Other Information		
Item 1A.	Risk Factors	17
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	18
Item 6.	Exhibits	18
Signatures		19

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Dollars in thousands, except share and per share data)

	March 31, 2012 (Unaudited)	December 31, 2011	April 2, 2011 (Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	\$33,501	\$46,367	\$45,124
Inventories	45,584	51,860	39,492
Receivables	4,170	7,878	3,503
Prepaid expenses and other current assets	15,926	17,854	19,128
Deferred tax assets	480	419	7,539
Total current assets	99,661	124,378	114,786
Property and equipment, net of accumulated depreciation of \$179,357, \$175,018 and \$168,978, respectively			
	74,771	77,445	83,461
Goodwill	33,423	32,306	33,561
Other intangible assets, net	728	655	1,264
Other assets, net	6,929	6,787	14,462
Total Assets	\$215,512	\$241,571	\$247,534
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$22,741	\$41,032	\$25,103
Accrued expenses	7,296	12,128	6,363
Gift cards and customer deposits	25,221	28,323	24,291
Deferred revenue	5,431	5,285	6,761
Total current liabilities	60,689	86,768	62,518
Deferred franchise revenue	1,368	1,436	1,639
Deferred rent	22,728	23,867	27,387
Other liabilities	257	257	344
Stockholders' equity:			
Preferred stock, par value \$0.01, Shares authorized: 15,000,000; No shares issued or outstanding at March 31, 2012, December 31, 2011 and April 2, 2011	-	-	-
Common stock, par value \$0.01, Shares authorized: 50,000,000; Issued and outstanding: 17,394,761, 17,405,270 and 19,600,470 shares, respectively	174	174	196
Additional paid-in capital	65,168	65,402	74,409

Edgar Filing: BUILD A BEAR WORKSHOP INC - Form 10-Q

Accumulated other comprehensive loss	(7,689)	(10,165)	(7,602)
Retained earnings	72,817	73,832	88,643
Total stockholders' equity	130,470	129,243	155,646
Total Liabilities and Stockholders' Equity	\$215,512	\$241,571	\$247,534

See accompanying notes to condensed consolidated financial statements.

BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME

(Unaudited)

(Dollars in thousands, except share and per share data)

	Thirteen weeks ended	
	March 31,	April 2, 2011
	2012	2011
Revenues:		
Net retail sales	\$95,200	\$94,159
Commercial revenue	376	1,106
Franchise fees	797	726
Total revenues	96,373	95,991
Costs and expenses:		
Cost of merchandise sold	57,466	58,225
Selling, general and administrative	40,126	41,312
Interest expense (income), net	(86)	103
Total costs and expenses	97,506	99,640
Loss before income taxes	(1,133)	(3,649)
Income tax benefit	(116)	(1,398)
Net loss	\$(1,017)	\$(2,251)
Loss per common share:		
Basic	\$(0.06)	\$(0.12)
Diluted	\$(0.06)	\$(0.12)
Shares used in computing common per share amounts:		
Basic	16,038,880	18,090,245
Diluted	16,038,880	18,090,245