

BASSETT FURNITURE INDUSTRIES INC
Form 10-Q
March 28, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended February 24, 2018

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 No. 0-209

BASSETT FURNITURE INDUSTRIES, INCORPORATED

(Exact name of Registrant as specified in its charter)

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Virginia

54-0135270

(State or other jurisdiction

(I.R.S. Employer

of incorporation or organization)

Identification No.)

3525 Fairystone Park Highway

Bassett, Virginia 24055

(Address of principal executive offices)

(Zip Code)

(276) 629-6000

(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, 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 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)
Smaller reporting company
Emerging growth company

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. _____

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

At March 21, 2018, 10,755,292 shares of common stock of the Registrant were outstanding.

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BASSETT FURNITURE INDUSTRIES, INCORPORATED AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATIONITEM 1. FINANCIAL STATEMENTSBASSETT FURNITURE INDUSTRIES, INCORPORATED AND SUBSIDIARIESCONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGSFOR THE PERIODS ENDED FEBRUARY 24, 2018 AND FEBRUARY 25, 2017 – UNAUDITED

(In thousands except per share data)

	Quarter Ended	
	February 24, 2018	February 25, 2017
Sales revenue:		
Furniture and accessories	\$96,123	\$93,698
Logistics	14,149	12,194
Total sales revenue	110,272	105,892
Cost of furniture and accessories sold	43,269	41,898
Selling, general and administrative expenses excluding new store pre-opening costs	64,251	58,524
New store pre-opening costs	702	806
Income from operations	2,050	4,664
Other loss, net	(627)	(733)
Income before income taxes	1,423	3,931
Income tax expense	2,336	1,070
Net income (loss)	\$(913)	\$2,861
Retained earnings-beginning of period	139,378	129,388
Reclassification of certain tax effects from accumulated other comprehensive loss	545	-
Cash dividends	(1,183)	(1,071)
Retained earnings-end of period	\$137,827	\$131,178
Basic earnings (loss) per share	\$(0.09)	\$0.27

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Diluted earnings (loss) per share	<i>\$(0.09) \$0.27</i>
Dividends per share	<i>\$0.11 \$0.10</i>

The accompanying notes to condensed consolidated financial statements are an integral part of the condensed consolidated financial statements.

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PART I – FINANCIAL INFORMATION – CONTINUED

ITEM 1. FINANCIAL STATEMENTS

BASSETT FURNITURE INDUSTRIES, INCORPORATED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE PERIODS ENDED FEBRUARY 24, 2018 AND FEBRUARY 25, 2017 – UNAUDITED

(In thousands)

	Quarter Ended	
	February	February
	24,	25,
	2018	2017
Net income (loss)	\$(913)	\$ 2,861
Other comprehensive income:		
Amortization associated with Long Term Cash Awards (LTCA)	31	-
Income taxes related to LTCA	(8)	-
Amortization associated with supplemental executive retirement defined benefit plan (SERP)	76	94
Income taxes related to SERP	(19)	(36)
Other comprehensive income, net of tax	80	58
Total comprehensive income (loss)	\$(833)	\$ 2,919

The accompanying notes to condensed consolidated financial statements are an integral part of the condensed consolidated financial statements.

PART I – FINANCIAL INFORMATION – CONTINUED

ITEM 1. FINANCIAL STATEMENTS

BASSETT FURNITURE INDUSTRIES, INCORPORATED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

FEBRUARY 24, 2018 AND NOVEMBER 25, 2017

(In thousands)

	(Unaudited)	
	February 24, 2018	November 25, 2017
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 24,310	\$ 53,949
Short-term investments	23,125	23,125
Accounts receivable, net	21,543	19,640
Inventories	63,669	54,476
Other current assets	9,610	8,192
Total current assets	142,257	159,382
Property and equipment, net	103,766	103,244
Deferred income taxes	6,183	8,393
Goodwill and other intangible assets	28,840	17,351
Other		