

BASSETT FURNITURE INDUSTRIES INC
Form 10-Q
March 31, 2016
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 27, 2016

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 or a smaller reporting company.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer 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

At March 18, 2016, 10,892,609 shares of common stock of the Registrant were outstanding.

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 INCOME AND RETAINED EARNINGSFOR THE PERIODS ENDED FEBRUARY 27, 2016 AND FEBRUARY 28, 2015 – UNAUDITED

(In thousands except per share data)

	Quarter Ended	
	February 27, 2016	February 28, 2015
Sales revenue:		
Furniture and accessories	\$92,402	\$89,548
Logistics	14,471	3,259
Total sales revenue	106,873	92,807
Cost of furniture and accessories sold	41,986	41,930
Selling, general and administrative expenses excluding new store pre-opening costs	58,957	47,475
New store pre-opening costs	139	-
Lease exit costs	-	419
Asset impairment charges	-	106
Income from operations	5,791	2,877
Remeasurement gain on acquisition of affiliate	-	7,212
Other loss, net	(657)	(622)
Income before income taxes	5,134	9,467
Income tax expense	1,900	3,511
Net income	\$3,234	\$5,956
Retained earnings-beginning of period	120,904	106,339
Cash dividends	(962)	(821)
Retained earnings-end of period	\$123,176	\$111,474
Basic earnings per share	\$0.30	\$0.57

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Diluted earnings per share	\$0.30	\$0.56
Dividends per share	\$0.09	\$0.08

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 STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIODS ENDED FEBRUARY 27, 2016 AND FEBRUARY 28, 2015 – UNAUDITED

(In thousands)

	Quarter Ended	
	February	February
	27,	28,
	2016	2015
Net income	\$3,234	\$ 5,956
Other comprehensive income:		
Amortization associated with supplemental executive retirement defined benefit plan (SERP)	91	59
Income taxes related to SERP	(34)	(22)
Other comprehensive income, net of tax	57	37
Total comprehensive income	\$3,291	\$ 5,993

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 27, 2016 AND NOVEMBER 28, 2015

(In thousands)

	(Unaudited)	
	February 27, 2016	November 28, 2015
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 25,113	\$ 36,268
Short-term investments	23,125	23,125
Accounts receivable, net	19,741	21,197
Inventories	57,539	59,896
Other current assets	8,124	6,798
Total current assets	133,642	147,284
Property and equipment, net	101,810	96,104
Deferred income taxes	12,634	13,471
Goodwill and other intangible assets	17,601	17,682
Other	7,967	8,002
Total long-term assets	38,202	39,155