

NOBLE ROMANS INC
Form 10-Q
August 12, 2013

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 June 30, 2013

Commission file number: 0-11104

NOBLE ROMAN'S, INC.
(Exact name of registrant as specified in its charter)

Indiana 35-1281154
(State or other jurisdiction of organization) (I.R.S. Employer Identification No.)

One Virginia Avenue, Suite 300
Indianapolis, Indiana 46204
(Address of principal executive offices) (Zip Code)

(317) 634-3377
(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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer
Non-Accelerated Filer (do not check if smaller reporting company)
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).

Act). Yes No

As of August 7, 2013, there were 19,516,589 shares of Common Stock, no par value, outstanding.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The following unaudited condensed consolidated financial statements are included herein:

Condensed consolidated balance sheets as of December 31, 2012 and June 30, 2013 (unaudited) Page 3

Condensed consolidated statements of operations for the three months and six months ended June 30, 2012 and 2013 (unaudited) Page 4

Condensed consolidated statements of changes in stockholders' equity for the six months ended June 30, 2013 (unaudited) Page 5

Condensed consolidated statements of cash flows for the six months ended June 30, 2012 and 2013 (unaudited) Page 6

Notes to condensed consolidated financial statements (unaudited) Page 7

Table Of Contents

Noble Roman's, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

	December 31, 2012	June 30, 2013
Assets		
Current assets:		
Cash	\$ 144,354	\$ 265,463
Accounts and notes receivable - net	1,080,362	1,387,029
Inventories	460,839	477,929
Assets held for resale	259,579	259,579
Prepaid expenses	379,669	541,596
Deferred tax asset - current portion	1,400,000	1,400,000
Total current assets	3,724,803	4,331,596
Property and equipment:		
Equipment	1,166,103	1,170,627
Leasehold improvements	12,283	12,283
	1,178,386	1,182,910
Less accumulated depreciation and amortization	905,376	931,131
Net property and equipment	273,010	251,779
Deferred tax asset (net of current portion)	9,238,536	8,665,308
Other assets including long-term portion of receivables - net	3,924,404	4,068,828
Total assets	\$ 17,160,753	\$ 17,317,511
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term note payable to bank	\$ 1,250,000	1,250,000
Accounts payable and accrued expenses	510,710	410,665
Total current liabilities	1,760,710	1,660,665
Long-term obligations:		
Note payable to bank (net of current portion)	3,020,833	2,395,833
Total long-term liabilities	3,020,833	2,395,833
Stockholders' equity:		
Common stock – no par value (25,000,000 shares authorized, 19,516,589 issued and outstanding as of December 31, 2012 and June 30, 2013)	23,366,058	23,423,273
Preferred stock (5,000,000 shares authorized and 20,625 issued and outstanding as of December 31, 2012 and June 30, 2013)	800,250	800,250
Accumulated deficit	(11,787,098)	(10,962,510)
Total stockholders' equity	12,379,210	13,261,013
Total liabilities and stockholders' equity	\$ 17,160,753	\$ 17,317,511

See accompanying notes to condensed consolidated financial statements.

Table Of Contents

Noble Roman's, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended June		Six Months Ended June	
	30, 2012	2013	30, 2012	2013
Royalties and fees	\$1,767,414	\$1,857,503	\$3,470,980	3,639,809
Administrative fees and other	5,496	7,600	12,743	8,876
Restaurant revenue	120,680	122,275	247,529	229,431
Total revenue	1,893,590	1,987,378	3,731,252	3,878,116
Operating expenses:				
Salaries and wages	253,524	262,827	496,983	512,030
Trade show expense	123,127	129,991	244,124	259,540
Travel expense	45,459	55,240	94,374	99,555
Other operating expenses	172,008	182,957	350,209	364,320
Restaurant expenses	113,029	109,742	232,272	214,850
Depreciation and amortization	28,561	28,343	59,225	56,689
General and administrative	392,670	413,564	788,387	820,548
Total expenses	1,128,378	1,182,664	2,265,574	2,327,532