

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-05-13** | Period of Report: **1994-03-31**  
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FILER

**SYMS CORP**

CIK: **724742** | IRS No.: **222465228** | State of Incorporation: **NJ** | Fiscal Year End: **1231**  
Type: **10-Q** | Act: **34** | File No.: **001-08546** | Film No.: **94528390**  
SIC: **5651** Family clothing stores

Mailing Address  
SYMS WAY  
SECAUCUS NJ 07094

Business Address  
SYMS WAY  
SECAUCUS NJ 07094  
2019029600

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 10-Q

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Quarterly Report Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

FOR THE THIRTEEN WEEKS ENDED  
APRIL 2, 1994

COMMISSION FILE NUMBER 1-8564

SYMS CORP

(Exact name of registrant as specified in its charter)

NEW JERSEY  
(State or other jurisdiction of  
incorporation or organization)

NO. 22-2465228  
(I.R.S. employer identification no.)

SYMS WAY, SECAUCUS, NEW JERSEY  
(Address of principal executive offices)

07094  
(Zip Code)

Registrant's telephone number, including area code (201) 902-9600

Indicate by check mark whether 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 X No

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The number of shares of the Registrant's Common Stock, par  
value \$.05 outstanding at May 12, 1994: 17,692,015

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Consolidated Condensed Balance Sheets  
(In Thousands Except Share Amounts)

APRIL 3,                      APRIL 2,                      JANUARY 1,

	1993 (UNAUDITED)	1994 (UNAUDITED)	1994 ( * )
	-----	-----	-----
ASSETS			
Current Assets			
Cash and Cash equivalents	\$ 519	\$ 966	\$ 1,347
Marketable securities	8,625	---	---
Merchandise inventories (note 2)	95,743	90,558	79,418
Prepaid expenses and other current assets	5,198	4,556	4,857
Deferred income taxes	1,431	1,546	1,406
	-----	-----	-----
TOTAL CURRENT ASSETS	111,516	97,626	87,028
Property and equipment, net of accumulated depreciation and amortization	119,257	132,094	130,279
Other assets	3,266	4,104	3,845
	-----	-----	-----
TOTAL ASSETS	\$234,039	\$233,824	\$221,152
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS EQUITY			
Current Liabilities			
Current portion of obligations under capital lease	\$ 206	\$ 245	\$ 234
Accounts payable	38,217	28,948	14,864
Accrued expenses and taxes other than income taxes	3,386	4,501	4,418
Obligations to customers	3,249	3,222	3,500
Income taxes	3,465	2,863	4,141
	-----	-----	-----
TOTAL CURRENT LIABILITIES	48,523	39,779	27,157
	-----	-----	-----
Obligations under capital lease	2,154	1,909	1,974
	-----	-----	-----
Deferred income taxes	1,658	1,206	1,416
	-----	-----	-----
Shareholders equity			
Preferred stock - par value, \$100 per share; authorized 1,000,000 shares; none issued			
Common stock - par value, \$.05 per share; authorized 30,000,000 shares; issued and outstanding 17,690,215 shares - April 3, 1993; 17,692,015 shares - January 1, 1994 and April 2, 1994	885	885	885

Additional paid-in capital	11,677	11,695	11,695
Retained earnings	169,142	178,350	178,025
	-----	-----	-----
TOTAL SHAREHOLDERS EQUITY	181,704	190,930	190,605
	-----	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$234,039	\$233,824	\$221,152
	=====	=====	=====

\* Condensed from Audited Consolidated Financial Statements.  
See accompanying notes to Consolidated Condensed Financial Statements.

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Consolidated Condensed Statements of Income  
(In Thousands, Except Per Share Amount)

	THIRTEEN WEEKS ENDED	
	APRIL 3, 1993 (UNAUDITED)	APRIL 2, 1994 (UNAUDITED)
	-----	-----
Net Sales	\$66,875	\$68,642
	-----	-----
Costs and expenses:		
Cost of Sales	45,476	46,676
Operating, general and administrative	15,324	16,872
Occupancy	2,208	2,666
Depreciation and amortization	1,847	1,784
Interest - net	21	67
	-----	-----
	64,876	68,065
	-----	-----

Income before provision for income

taxes	1,999	577
Provision for income taxes	920	252
	-----	-----
Net income	\$ 1,079	\$ 325
	=====	=====
Earnings per share	\$ .06	\$ .02
	=====	=====
Weighted average shares outstanding	17,690	17,692
	=====	=====

See accompanying notes to Consolidated Condensed Financial Statements.

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Consolidated Condensed Statements of Cash Flows  
(In Thousands)

	THIRTEEN WEEKS ENDED	
	APRIL 3,	APRIL 2,
	1993	1994
	(UNAUDITED)	(UNAUDITED)
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 1,079	\$ 325
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,847	1,784
Deferred income taxes	(467)	(350)

Changes in assets and liabilities:		
Merchandise inventories	(28,011)	(11,140)
Prepaid expenses and other current assets	(1,022)	301
Other assets	(103)	(259)
Accounts payable	32,612	14,084
Obligations to customers	(161)	(278)
Accrued expenses and taxes other than income taxes	(871)	83
Income tax payable	(2,419)	(1,278)
	-----	-----
TOTAL ADJUSTMENTS	1,405	2,947
	-----	-----
Net cash provided by operating activities:	2,484	3,272
	-----	-----
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of marketable securities	(3,325)	---
Expenditures for fixed assets	(887)	(3,599)
	-----	-----
Net cash used in investing activities:	(4,212)	(3,599)
	-----	-----
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Repayments of obligations under capital lease	(46)	(54)
	-----	-----
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,774)	(381)
CASH AND CASH EQUIVALENTS, beginning of period	2,293	1,347
	-----	-----
CASH AND CASH EQUIVALENTS, end of period	\$ 519	\$ 966
	=====	=====

See accompanying notes to Consolidated Condensed Financial Statements.

Notes to Consolidated Condensed Financial Statements  
April 3, 1993 and April 2, 1994 (Unaudited)

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Note 1 -- In the opinion of the Company, the accompanying unaudited consolidated condensed financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position as of April 3, 1993 and April 2, 1994 and the results of operations and cash flows for the thirteen week periods ended April 3, 1993 and April 2, 1994.

While the Company believes that the disclosures presented are adequate to make the information not misleading, it is suggested that these consolidated condensed financial statements be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended January 1, 1994.

Because of the seasonal nature of the Company's business, the results of the operations for the thirteen week period ended April 2, 1994 is not necessarily indicative of the results for the full year.

Note 2 -- Inventories at April 3, 1993 and April 2, 1994 have been computed using a gross profit margin estimated by management.

Note 3 -- The Company adopted Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes", effective January 3, 1993. The cumulative effect of adopting SFAS No. 109 on the Company's financial statements was not material.



Item 2. Management's Discussion and Analysis of Financial Condition  
and Results of Operations

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RESULTS OF OPERATIONS

Net sales for the thirteen weeks ended April 2, 1994 increased by \$1,767,000 or 2.6% when compared with the thirteen weeks ended April 3, 1993. Comparable store net sales decreased by 5.3%; this was offset by an increase of 7.9% attributable to five new stores which opened in the fourth quarter of 1993.

The Company's estimated gross margin was 32.0% for the thirteen weeks ended April 2, 1994 and April 3, 1993.

As a percentage of net sales, operating, general and administrative expenses (excluding occupancy, depreciation and amortization) were 24.6% for the thirteen weeks ended April 2, 1994 and 22.9% for the thirteen weeks ended April 3, 1993. The increase in operating, general and administrative expenses as a percentage of net sales is attributable to a decrease in comparable store net sales and additional operating costs associated with the five new stores opened in 1993.

Operating, general and administrative expenses for the thirteen weeks ended April 2, 1994 increased by \$1,548,000 or 10.1% from the thirteen weeks ended April 3, 1993. Comparable store operating, general and administrative expenses increased by \$44,000 or .3% and non-comparable stores accounted for \$1,504,000 or 9.8%.

As a percentage of net sales, occupancy expenses were 3.9% for the thirteen weeks ended April 2, 1994 and 3.3% for the thirteen weeks ended April 3, 1993. The increase in occupancy expenses as a percentage of net sales can be attributed to a decrease in comparable store net sales and the additional occupancy expenses associated with the five new stores opened in 1993.

Income before provision for income taxes was .8% for the thirteen weeks ended April 2, 1994 and 3.0% for the thirteen weeks ended April 2, 1993. The decrease in income before provision for income taxes as percentage of net sales from the preceding period resulted principally from a decrease in comparable store net sales.

Provision for income taxes, as a percent of income before provision for income taxes, decreased from 46.0% in 1993 to 43.0% in 1994 principally as a result of decreases in certain non-tax deductible expenses and the preceding period included the cumulative effect of adopting SFAS No. 109, "Accounting for Income Taxes".

LIQUIDITY AND CAPITAL RESOURCES

Working capital decreased to \$57,847,000 at April 2, 1994 from \$62,993,000 at April 3, 1993.

Net cash provided by operating activities totaled \$3,272,000 in the 1994 period compared to \$2,484,000 in the 1993 period. Net income for the thirteen weeks ended April 2, 1994 amounted to \$325,000 compared to \$1,079,000 in the preceding period, a decrease of \$754,000. The \$11,140,000 increase in merchandise inventories and the \$14,084,000 increase in accounts payable are primarily due to the addition of five new stores opened during 1993.

Net cash used in investing activities was \$3,599,000 in the 1994 period compared to \$4,212,000 in the 1993 period.

Net cash used in financing activities was \$54,000 in the 1994 period and \$46,000 in the 1993 period.

The Company declared a cash dividend of five cents per share to shareholders of record on April 4, 1994 and payable on May 2, 1994.

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The Company plans to open six stores during 1994. The capital expenditures historically required to open a Syms store vary based upon whether the Company leases or purchases the location. The average cost to open a leased location is approximately \$1,100,000 and \$4,700,000 for a purchased location. These costs can vary significantly based upon geographical location, amount of tenant required improvements and total store square footage. The company has planned capital expenditures of approximately \$18,000,000 for the fiscal year ended December 31, 1994.

Management believes that existing reserves, internally generated funds and funds available from the revolving credit agreement will be sufficient for future working capital and capital expenditure requirements, for new and existing stores.

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Part II - Other Information

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Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

NONE

(b) REPORTS ON FORM 8-K

On January 7, 1994, the company filed a report on Form 8-K, dated December 15, 1993, with respect to the purchase of approximately 7.4 acres of property in Hurst, Texas.

On February 8, 1994, the company filed a report on Form 8-K, dated December 27, 1993, with respect to a lease with Gateway Connecticut Properties, for approximately 38,000 square feet in Berlin, Connecticut.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SYMS CORP

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/s/ ARTHUR WEBER

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CHIEF FINANCIAL OFFICER

May 12, 1994

