

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-06-13** | Period of Report: **1995-04-29**
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DRESS BARN INC

CIK: **717724** | IRS No.: **060812960** | State of Incorpor.: **CT** | Fiscal Year End: **0731**
Type: **10-Q** | Act: **34** | File No.: **000-11736** | Film No.: **95546627**
SIC: **5621** Women's clothing stores

Mailing Address
30 DUNNIGAN DRIVE
SUFFERN NY 10901

Business Address
30 DUNNIGAN DRIVE
SUFFERN NY 10901
9143694600

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended April 29, 1995

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 0-11736

The Dress Barn, Inc.

(Exact name of registrant as specified in its charter)

Connecticut
(State or other jurisdiction of
incorporation or organization)

06-0812960
(I.R.S. Employer
Identification No.)

30 Dunnigan Drive, Suffern New York
(Address of principal executive offices)

10901
(Zip Code)

(914) 369-4500

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year,
if changed since last report.)

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 X

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents
and reports required to be filed by Sections 12, 13 or 15(d) of the Securities
Exchange Act of 1934 subsequent to the distribution of securities under a plan
confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's

classes of common stock, as of the latest practicable date.

.05 par value 22,302,369 shares on June 9, 1995

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* Not applicable in this filing.

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The Dress Barn, Inc. and Subsidiaries
Consolidated Balance Sheets

	April 29, 1995	July 30, 1994
ASSETS		
Current Assets: (unaudited)	(unaudited)	
Cash & cash equivalents	\$7,391,183	\$6,668,006
Marketable securities	57,615,222	55,321,978
Merchandise inventories	106,699,968	79,601,016
Prepaid expenses and other	5,415,712	4,237,426
Total Current Assets	177,122,085	145,828,426
Property and Equipment:		
Leasehold improvements	48,587,970	43,173,926
Fixtures and equipment	78,588,227	66,026,065
Computer software	6,982,330	6,360,151
Automotive equipment	255,237	251,571
	134,413,764	115,811,713
Less accumulated depreciation and amortization	54,772,538	44,459,195
	79,641,226	71,352,518
Other Assets	647,451	681,711
	\$257,410,762	\$217,862,655
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable- trade	\$62,232,883	\$41,700,608
Accrued expenses	12,077,213	13,041,013
Customer credits	1,529,593	1,141,523
Income taxes payable	2,496,105	894,395
Total Current Liabilities	78,335,794	56,777,539
Deferred Income Taxes	2,057,163	1,887,163
Long Term Debt	3,500,000	--
Committments		
Shareholders' Equity:		
Preferred stock, par value \$.05 per share:		
Authorized- 100,000 shares		
Issued and outstanding- none	--	--
Common stock, par value \$.05 per share:		
Authorized- 30,000,000 shares		
Issued- 23,281,640 and 23,226,768 shares, respectively		
Outstanding- 22,276,640 and 22,221,768 shares, respectively	1,164,082	1,161,338
Additional paid-in capital	14,326,122	13,826,629
Retained earnings	163,733,213	149,915,598
Treasury stock, at cost	(5,705,612)	(5,705,612)

173,517,805	159,197,953
\$257,410,762	\$217,862,655

The Dress Barn, Inc. and Subsidiaries
Consolidated Statements of Earnings- Third Quarter
Unaudited

	Thirteen Weeks Ended	
	April 29, 1995	April 30, 1994
Net sales	\$123,540,622	\$112,861,564
Costs and expenses:		
Cost of sales, including		
occupancy and buying costs	76,824,115	70,712,996
Selling, general and administrative	39,075,129	35,601,291
Interest (income) - net	(301,722)	(289,683)
	115,597,522	106,024,604
Earnings before income taxes	7,943,100	6,836,960
Income taxes	2,941,000	2,530,000
Net Earnings	\$5,002,100	\$4,306,960
Earnings per share	\$0.22	\$0.19
Weighted average shares outstanding	22,274,692	22,191,562

See notes to consolidated financial statements (unaudited)

The Dress Barn, Inc. and Subsidiaries
Consolidated Statements of Earnings- Nine Months
Unaudited

Thirty Nine Weeks Ended

	April 29, 1995	April 30, 1994
Net sales	\$370,277,044	\$339,138,450
Costs and expenses:		
Cost of sales, including		
occupancy and buying costs	233,023,767	215,501,156
Selling, general and administrative	116,599,415	104,746,383
Interest (income) - net	(1,279,752)	(1,493,386)
	348,343,430	318,754,153
 Earnings before income taxes	 21,933,614	 20,384,297
Income taxes	8,116,000	7,542,000
 Net Earnings	 \$13,817,614	 \$12,842,297
 Earnings per share	 \$0.62	 \$0.58
 Weighted average shares outstanding	 22,254,281	 22,167,310

See notes to consolidated financial statements (unaudited)

The Dress Barn, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Unaudited

Thirty-Nine Weeks Ended

	April 29, 1995	April 30, 1994
Operating Activities:		
Net earnings	\$13,817,614	\$12,842,297
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	9,721,800	7,762,200
Increase (decrease) in deferred income taxes	170,000	(158,000)
Deferred compensation	151,200	236,200
Changes in assets and liabilities:		
Increase in merchandise inventories	(27,098,952)	(10,077,218)
(Increase) decrease in prepaid expenses	(1,178,286)	2,253,823

Decrease in other assets	34,260	127,708
Increase-accounts payable- trade	20,532,275	14,562,225
(Decrease) in accrued expenses	(963,800)	(1,407,599)
Increase in customer credits	388,070	367,113
Increase(decrease)in income taxes payable	1,601,710	(1,742,889)
Total adjustments	3,358,277	11,923,563
Net cash provided by operating activities	17,175,891	24,765,860
Investing Activities		
Purchases of property and equipment	(18,010,508)	(17,539,900)
Sales and maturities of marketable securities	(18,544,398)	(14,358,078)
Purchases of marketable securities	16,251,154	13,814,678
Net cash used in investing activities	(20,303,752)	(18,083,300)
Financing Activities		
Proceeds from long term debt	3,500,000	--
Proceeds from Employee Stock Purchase Plan	297,345	295,268
Proceeds from stock options exercised	53,693	156,145
Net cash provided by financing activities	3,851,038	451,413
Net increase in cash and cash equivalents	723,177	7,133,973
Cash and cash equivalents- beginning of period	6,668,006	10,054,792
Cash and cash equivalents- end of period	\$7,391,183	\$17,188,765

Supplemental Disclosure of Cash Flow Information:

Cash paid for income taxes	\$6,291,605	\$10,054,792
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See notes to consolidated financial statements (unaudited)

THE DRESS BARN, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Financial Statements

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation for interim periods have been included. These consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's July 30, 1994

The results of operations for the period ended April 29, 1995, are not necessarily indicative of the operating results for the full year.

2. Reclassification

Certain reclassification have been made to prior year's financial statements to conform with the current year's presentation.

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THE DRESS BARN, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

The Company's net sales reflect the results of 764 stores in operation at April 29, 1995 as compared with 683 at April 30, 1994. During the thirty-nine weeks ended April 29, 1995, the Company opened 98 stores and closed 22 for a net addition of 7 stores during the nine month period.

The following summarizes the financial results for the thirteen and thirty-nine week periods ended April 29, 1995 versus the comparable periods last year:

	Third Quarter			Nine Months		
	% Change from L/Y	% of Sales T/Y	% of Sales L/Y	% Change from L/Y	% of Sales T/Y	% of Sales L/Y
Net Sales	9.5%			9.2%		
Gross Profit, less						
Occupancy & Buying	10.8%	37.8%	37.3%	11.0%	37.1%	36.5%
Selling, General and						
Admin. Expenses	9.8%	31.6%	31.5%	11.3%	31.5%	30.9%
Operating Income	16.7%	6.2%	5.8%	9.3%	5.6%	5.6%
Interest Income	4.1%	0.2%	0.3%	-14.3%	0.3%	0.4%
Income Taxes	16.2%	2.4%	2.2%	7.6%	2.2%	2.2%
Net Income	16.1%	4.0%	3.8%	7.6%	3.7%	3.8%

Net sales increased due to the increased number of stores open during both fiscal periods this year versus last. The increases were reduced by declines in comparable store sales of 2% for both the three and nine month periods.

Gross profit less occupancy and buying costs as a percentage of sales for the third quarter and nine month periods increased primarily due to higher initial margins, which offset increased markdowns and increased occupancy costs from new stores.

Selling, general and administrative expenses as a percentage of sales for the both the third quarter and nine month periods increased as no leverage was achieved as a result of the decrease in comparable store sales for the quarter. Despite the minimal increase as a percent of sales in the third quarter, average expenses per store were less than last year. This resulted from the Company's continued focus on expense controls. The increase as a percent of sales in the nine month period was the result of increased expenditures for store payroll, advertising, supplies and maintenance and repairs.

Interest income decreased in the nine month period and marginally increased in the third quarter as the increase in funds available for short term investment was offset by a decline in the market value of the municipal bond portfolio.

The effective tax rate for the thirty-nine weeks ended April 29, 1995 was 37.0%, the same as the effective rate for the fiscal year ended July 30, 1994.

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THE DRESS BARN, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Liquidity and Capital Resources

During the nine months ended April 29, 1995 there was no material change in the Company's liquidity or capital resources. The Company incurred long-term debt for the first time in October 1994 - a \$3.5 million below-market interest rate loan from New York State to help finance the move to Suffern. Capital expenditures during the quarter utilized internally generated funds.

At April 29, 1995, the Company had working capital of \$98,786,000 and three bank credit lines totaling \$76,500,000 without any outstanding borrowings.

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Part II - OTHER INFORMATION

Item 6 -- Exhibits and Reports on Form 8-K

- (a) No exhibits are required to be filed herewith.
- (b) No reports on Form 8-K have been filed during the quarter for which this report is filed.

SIGNATURE

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

BY: /S/ ARMAND CORREIA
Armand Correia
Senior Vice President
(Principal Financial
and Accounting Officer)

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