

BIG BUCK BREWERY & STEAKHOUSE INC  
Form 10QSB/A  
February 23, 2004

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

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**FORM 10-QSB/A**

- QUARTERLY REPORT UNDER SECTION 13 OR 15 d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 28, 2003**
- TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 0-20845

**BIG BUCK BREWERY & STEAKHOUSE, INC.**

(Exact Name of Small Business Issuer as Specified in Its Charter)

**Michigan**  
(State or Other Jurisdiction  
of Incorporation or Organization)

**38-3196031**  
(I.R.S. Employer  
Identification No.)

**550 South Wisconsin Street  
Gaylord, Michigan 49734  
(989) 731-0401**

(Address of Principal Executive Offices and Issuer's  
Telephone Number, including Area Code)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or 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

As of November 10, 2003, the issuer had outstanding 861,997 shares of common stock.

Transitional Small Business Disclosure Format:

Yes  No

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**PART I**

**ITEM 1 Financial Statements**

**BIG BUCK BREWERY & STEAKHOUSE, INC.**

## Consolidated Balance Sheets

|   | September 28,<br>2003 | December 29,<br>2002 |
|---|-----------------------|----------------------|
|   | (Unaudited)           |                      |
| <b>ASSETS</b>   |                       |                      |
| <b>CURRENT ASSETS:</b>  |                       |                      |
| Cash  | \$ 676,763            | \$ 1,516,821         |
| Accounts receivable   | 153,374               | 145,811              |
| Inventories   | 131,468               | 216,428              |
| Prepays and other   | 543,021               | 478,182              |
|   | <u>1,504,626</u>      | <u>2,357,242</u>     |
| PROPERTY AND EQUIPMENT  | 18,532,465            | 21,237,757           |
| ASSETS HELD FOR SALE  | 1,778,681             |                      |
| OTHER ASSETS, net   | 492,027               | 534,982              |
|   | <u>\$ 22,307,799</u>  | <u>\$ 24,129,981</u> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                       |                      |
| <b>CURRENT LIABILITIES:</b>   |                       |                      |
| Accounts payable  | \$ 968,283            | \$ 1,016,370         |
| Accrued expenses  | 2,166,432             | 1,448,647            |
| Current maturities of long-term obligations   | 19,091,358            | 16,311,999           |
|   | <u>22,226,073</u>     | <u>18,777,016</u>    |
| LONG-TERM OBLIGATIONS, less current maturities  |                       | 3,378,737            |
|   | <u>22,226,073</u>     | <u>22,155,753</u>    |
| MINORITY INTEREST   | 427,013               | 449,452              |
| <b>SHAREHOLDERS' EQUITY:</b>  |                       |                      |
| Preferred stock, \$0.01 par value, 5,000,000 shares authorized; no shares issued and outstanding    |                       |                      |
| Common stock, \$0.01 par value, 10,000,000 shares authorized; 861,997 shares issued and outstanding | 8,620                 | 8,620                |
| Additional paid-in capital  | 14,905,621            | 14,905,621           |
| Accumulated deficit   | (15,259,528)          | (13,389,465)         |
|   | <u>(345,287)</u>      | <u>1,524,776</u>     |
| Total shareholders' equity  | (345,287)             | 1,524,776            |
|   | <u>\$ 22,307,799</u>  | <u>\$ 24,129,981</u> |

The accompanying notes are an integral part of these financial statements.

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**BIG BUCK BREWERY & STEAKHOUSE, INC.**  
**Consolidated Statements of Operations**  
**(Unaudited)**

|   | Three Months Ended    |                       | Nine Months Ended     |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | September<br>28, 2003 | September<br>29, 2002 | September<br>28, 2003 | September<br>29, 2002 |
| <b>REVENUE:</b>                                       |                       |                       |                       |                       |
| Restaurant sales                                      | \$ 3,733,606          | \$ 4,175,807          | \$ 11,176,276         | \$ 12,546,630         |
| Wholesale and retail sales                            | 24,783                | 41,326                | 79,482                | 109,046               |
| <b>Total revenue</b>                                  | <b>3,758,389</b>      | <b>4,217,133</b>      | <b>11,255,758</b>     | <b>12,655,676</b>     |
| <b>COSTS AND EXPENSES:</b>                            |                       |                       |                       |                       |
| Cost of sales   | 1,334,364             | 1,427,197             | 3,915,787             | 4,202,821             |
| Restaurant salaries and benefits                      | 1,059,711             | 1,095,167             | 3,100,624             | 3,259,271             |
| Operating expenses                                    | 915,099               | 983,626               | 2,974,097             | 2,867,333             |
| Depreciation  | 313,956               | 339,640               | 963,819               | 1,000,790             |
| Preopening expenses and store development costs       |                       |                       |                       | 19,930                |
| General and administrative expenses                   | 303,636               | 434,332               | 913,689               | 1,373,426             |
| <b>Total costs and expenses</b>                       | <b>3,926,766</b>      | <b>4,279,962</b>      | <b>11,868,016</b>     | <b>12,723,572</b>     |
| <b>LOSS FROM OPERATIONS</b>                           | <b>(168,377)</b>      | <b>(62,829)</b>       | <b>(612,258)</b>      | <b>(67,895)</b>       |
| <b>OTHER EXPENSE:</b>                                 |                       |                       |                       |                       |
| Interest expense                                      | (429,246)             | (439,245)             | (1,233,043)           | (1,319,845)           |
| Other expense/amortization of financing cost          | (65,443)              | (89,624)              | (47,194)              | (287,110)             |
| <b>Other expense, net</b>                             | <b>(494,689)</b>      | <b>(528,869)</b>      | <b>(1,280,237)</b>    | <b>(1,606,955)</b>    |
| <b>LOSS BEFORE INCOME TAXES AND MINORITY INTEREST</b> | <b>(663,066)</b>      | <b>(591,698)</b>      | <b>(1,892,495)</b>    | <b>(1,674,849)</b>    |
| <b>INCOME TAX EXPENSE</b>                             |                       |                       |                       |                       |
| <b>LOSS BEFORE MINORITY INTEREST</b>                  | <b>(663,066)</b>      | <b>(591,698)</b>      | <b>(1,892,495)</b>    | <b>(1,674,849)</b>    |
| <b>MINORITY INTEREST SHARE OF JOINT VENTURE</b>       | <b>6,598</b>          | <b>5,868</b>          | <b>22,439</b>         | <b>8,958</b>          |
| <b>NET LOSS</b>                                       | <b>\$ (656,468)</b>   | <b>\$ (585,830)</b>   | <b>\$ (1,870,056)</b> | <b>\$ (1,665,892)</b> |

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|   | Three Months Ended |           | Nine Months Ended |           |
|---|--------------------|-----------|-------------------|-----------|
| BASIC AND DILUTED LOSS PER COMMON SHARE | \$ (0.76)          | \$ (0.67) | \$ (2.17)         | \$ (1.92) |
| OUTSTANDING WEIGHTED AVERAGE SHARES     | 861,997            | 870,683   | 861,997           | 869,595   |

The accompanying notes are an integral part of these financial statements.

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**BIG BUCK BREWERY & STEAKHOUSE, INC.**  
**Consolidated Statements of Cash Flows**  
(Unaudited)

|  | Nine Months Ended  |                    |
|--|--------------------|--------------------|
|  | September 28, 2003 | September 29, 2002 |
| <b>OPERATING ACTIVITIES:</b>   |                    |                    |
| Net loss   | \$ (1,870,056)     | \$ (1,665,892)     |
| Adjustments to reconcile net loss to cash flows used in operating activities |                    |                    |
| Depreciation and amortization  | 996,990            | 1,236,846          |
| Minority interest's share of joint venture                                   | (22,439)           | (8,958)            |
| Interest paid for with common stock  |                    |                    |
| Consulting services paid for with common stock                               |                    |                    |
| Change in operating assets and liabilities:                                  |                    |                    |
| Accounts receivable  | (7,563)            | 211,028            |
| Inventories  | 84,960             | 16,337             |
| Prepays and other  | (64,839)           | (80,616)           |
| Accounts payable   | (48,087)           | (1,229,164)        |
| Accrued expenses   | 717,786            | 147,365            |
| Net cash used in operating activities  | (213,248)          | (1,443,054)        |
| <b>INVESTING ACTIVITIES:</b>   |                    |                    |
| Purchases of property and equipment  | (21,618)           | (473,710)          |
| Increase in other assets   | (5,814)            | (99,571)           |
| Net cash used in investing activities  | (27,432)           | (573,281)          |
| <b>FINANCING ACTIVITIES:</b>   |                    |                    |
| Borrowings under long-term debt  |                    | 5,550,000          |
| Payments on long-term debt and capital lease obligations                     | (599,378)          | (2,118,060)        |
| Proceeds from sale of common stock   |                    | 2,621              |
| Repurchase of common stock   |                    | (19,355)           |
| Payment of deferred financing costs  |                    | (17,775)           |
| Net cash provided by (used in) financing activities                          | (599,378)          | 3,347,431          |
| <b>INCREASE (DECREASE) IN CASH</b>   | <b>(840,058)</b>   | <b>1,331,096</b>   |

|  | Nine Months Ended |              |
|--|-------------------|--------------|
| CASH, beginning of period                  | 1,516,821         | 96,453       |
| CASH, end of period                        | \$ 676,763        | \$ 1,427,549 |
| <b>SUPPLEMENTAL CASH FLOW INFORMATION:</b> |                   |              |
| Interest paid                              | \$ 595,775        | \$ 665,182   |
| Income taxes paid                          |                   |              |

The accompanying notes are an integral part of these financial statements.

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**BIG BUCK BREWERY & STEAKHOUSE, INC.**  
**Condensed Notes to Financial Statements**  
**September 28, 2003**

(1)

**Basis of Financial Statement Presentation**

The accompanying unaudited financial statements included herein have been prepared by Big Buck Brewery & Steakhouse, Inc. in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations, although Big Buck believes that the disclosures made are adequate to make the information not misleading.

The financial statements for the nine months ended September 28, 2003 include the results of operations for the joint venture described in Big Buck's Annual Report on Form 10-KSB for the fiscal year ended December 29, 2002.

The unaudited balance sheet as of September 28, 2003, the unaudited statements of operations for the three and nine months ended September 28, 2003 and September 29, 2002, and the unaudited statements of cash flows for the nine months ended September 28, 2003 and September 29, 2002 include, in the opinion of management, all adjustments, consisting solely of normal recurring adjustments, necessary for a fair presentation of the financial results for the respective interim periods and are not necessarily indicative of results of operations to be expected for the entire fiscal year ending December 28, 2003. The accompanying interim financial statements have been prepared under the presumption that users of the interim financial information have either read, or have access to, the audited financial statements and notes in Big Buck's Annual Report on Form 10-KSB for the fiscal year ended December 29, 2002. Accordingly, footnote disclosures which would substantially duplicate the disclosures contained in the December 29, 2002 audited financial statements have been omitted from these interim financial statements. It is suggested that these interim financial statements should be read in conjunction with the financial statements and the notes thereto included in Big Buck's Annual Report on Form 10-KSB for the fiscal year ended December 29, 2002.

(2)

**Current maturities of long-term obligations**

As discussed on pages 9-12 of the Form 10-QSB, the Company is out of compliance with its various debt agreements and additional financing is critical. On page eight under "Liquidity and Capital Resources Overview" is an explanation of cash flows for the nine months ended September 28, 2003.

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**SIGNATURES**

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In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BIG BUCK BREWERY & STEAKHOUSE, INC.

DATE: FEBRUARY 23, 2004

By \_\_\_\_\_ /s/ ANTHONY P. DOMBROWSKI

Anthony P. Dombrowski  
*President, Chief Executive Officer,  
Chief Financial Officer and Treasurer*

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### INDEX TO EXHIBITS

| <b>Exhibit<br/>Number</b> | <b>Description</b>  |
|---------------------------|---|
| 31                        | Certification Pursuant to Exchange Act Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32                        | Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.   |

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### QuickLinks

#### PART I

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