

VALUE LINE INC
Form 10-Q
March 13, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended January 31, 2015

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: 0-11306

VALUE LINE, INC.
(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of incorporation or organization)

13-3139843
(I.R.S. Employer Identification No.)

485 Lexington Avenue, New York, New York
(Address of principal executive offices)

10017-2630
(Zip Code)

(212) 907-1500
(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 Website, 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

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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 Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a 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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class	Outstanding at March 10, 2015
Common stock, \$0.10 par value	9,812,868 Shares

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Part I - Financial Information

Item 1. Financial Statements

Value Line, Inc.
Consolidated Condensed Balance Sheets
(in thousands, except share amounts)

	January 31, 2015 (unaudited)	April 30, 2014
Assets		
Current Assets:		
Cash and cash equivalents (including short term investments of \$5,005 and \$5,482, respectively)	\$ 6,651	\$ 5,788
Securities available-for-sale	9,200	9,226
Accounts receivable, net of allowance for doubtful accounts of \$39 and \$39, respectively	1,290	1,206
Prepaid and refundable income taxes	94	175
Prepaid expenses and other current assets	1,298	1,507
Deferred income taxes	279	364
Total current assets	18,812	18,266
Long term assets:		
Investment in EAM Trust	58,066	57,850
Property and equipment, net	3,741	3,863
Capitalized software and other intangible assets, net	7,015	6,896
Total long term assets	68,822	68,609
Total assets	\$ 87,634	\$ 86,875
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 2,122	\$ 2,429
Accrued salaries	1,151	1,349
Dividends payable	1,472	1,472
Accrued taxes on income	624	316
Unearned revenue	19,942	21,490
Total current liabilities	25,311	27,056
Long term liabilities:		
Unearned revenue	4,910	3,634
Deferred charges	217	367
Deferred income taxes	22,223	22,520
Total long term liabilities	27,350	26,521
Total liabilities	52,661	53,577

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Shareholders' Equity:

Common stock, \$0.10 par value; authorized 30,000,000 shares; issued 10,000,000 shares	1,000		1,000	
Additional paid-in capital	991		991	
Retained earnings	34,962		33,183	
Treasury stock, at cost (187,132 and 182,071 shares, respectively)	(2,193)	(2,122)
Accumulated other comprehensive income, net of tax	213		246	
Total shareholders' equity	34,973		33,298	
Total liabilities and shareholders' equity	\$ 87,634		\$ 86,875	

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

Value Line, Inc.
 Consolidated Condensed Statements of Income
 (in thousands, except share & per share amounts)
 (unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	January 31,		January 31,	
	2015	2014	2015	2014
Revenues:				
Investment periodicals and related publications	\$ 8,203	\$ 8,554	\$ 25,023	\$ 25,056
Copyright data fees	660	720	2,171	2,183
Total revenues	8,863	9,274	27,194	27,239
Expenses:				
Advertising and promotion	963	1,030	3,316	3,188
Salaries and employee benefits	3,992	4,155	11,946	12,020
Production and distribution	1,859	1,737	5,258	4,798
Office and administration	1,198	1,344	3,715	5,110
Total expenses	8,012	8,266	24,235	25,116
Income from operations	851	1,008	2,959	2,123
Revenues and profits interests in EAM Trust	2,024	1,974	5,995	5,597
Income from securities transactions, net	96	70	203	142
Income before income taxes	2,971	3,052	9,157	7,862
Income tax provision	794	1,026	2,962	2,775
Net income	\$ 2,177	\$ 2,026	\$ 6,195	\$ 5,087
Earnings per share, basic & fully diluted	\$ 0.22	\$ 0.21	\$ 0.63	\$ 0.52
Weighted average number of common shares	9,813,371	9,826,336	9,813,973	9,845,925

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

Value Line, Inc.
 Consolidated Condensed Statements of Comprehensive Income
 (in thousands)
 (unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	January 31,		January 31,	
	2015	2014	2015	2014
Net income	\$2,177	\$2,026	\$6,195	\$5,087
Other comprehensive income (loss), net of tax:				
Change in unrealized gains on securities, net of taxes	(16)	(87)	(33)	(48)
Other comprehensive income (loss)	(16)	(87)	(33)	(48)
Comprehensive income	\$2,161	\$1,939	\$6,162	\$5,039

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

Value Line, Inc.
 Consolidated Condensed Statements of Cash Flows
 (in thousands)
 (unaudited)

	For the Nine Months Ended January 31,	
	2015	2014
Cash flows from operating activities:		
Net income	\$6,195	\$5,087
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,904	1,514
Non-voting revenues interest in EAM Trust	(5,498)	(5,028)
Non-voting profits interest in EAM Trust	(497)	(569)
Unrealized gains on securities	(45)	-
Deferred rent	(150)	617
Deferred income taxes	133	632
Changes in operating assets and liabilities:		
Unearned revenue	(272)	(710)
Reserve for settlement	(54)	(141)
Operating lease exit obligation	-	(36)
Accounts payable & accrued expenses	(253)	(194)
Accrued salaries	(198)	(108)
Accrued taxes on income	(44)	995
Prepaid and refundable income taxes	81	-
Prepaid expenses and other current assets		