

ASCENDIA BRANDS, INC.
Form 10-Q
October 27, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

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

For the fiscal thirteen weeks ended August 26, 2006

Commission File Number: 033-25900

ASCENDIA BRANDS, INC.

(formerly Cenuco, Inc.)

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

75-2228820
(I.R.S. Employer
Identification No.)

100 AMERICAN METRO BOULEVARD, SUITE 108

HAMILTON, NEW JERSEY 08619

(Address of principal executive offices)

(Zip Code)

(609) 219-0930

(Registrant's Telephone Number, Including Area Code)

Edgar Filing: ASCENDIA BRANDS, INC. - Form 10-Q

(Former Address, 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 ☐

Indicate by check mark whether the registrant is an accelerated filer (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:

On October 27, 2006, the issuer had outstanding 13,913,056 shares of common stock, \$.001 par value per share.

Edgar Filing: ASCENDIA BRANDS, INC. - Form 10-Q

ASCENDIA BRANDS, INC. AND SUBSIDIARIES

FORM 10-Q

THIRTEEN WEEKS ENDED AUGUST 26, 2006

INDEX

PAGE

PART I. - Financial Information

Item 1 - Financial Statements	1
Consolidated Balance Sheets As of August 26, 2006 (Unaudited) and February 28, 2006	1
Consolidated Statements of Operations (Unaudited) For the Thirteen and Twenty-Six Weeks ended August 26, 2006 and August 27, 2005	2
Consolidated Statement of Stockholders' Equity For the Twenty-Six Weeks ended August 26, 2006 (Unaudited)	3
Consolidated Statements of Cash Flows (Unaudited) For the Twenty-Six Weeks ended August 26, 2006 and August 27, 2005	4
Notes to Consolidated Financial Statements	5
Item 2 - Management's Discussion and Analysis And Results of Operations	25
Item 3 - Quantitative and Qualitative Disclosures About Market Risk	45
Item 4 - Controls and Procedures	46

PART II. - OTHER INFORMATION

Edgar Filing: ASCENDIA BRANDS, INC. - Form 10-Q

Item 1 - Legal Proceedings	47
Item 1A - Risk Factors	47
Item 6 - Exhibits	52
Signatures	53

PART I. FINANCIAL INFORMATION

Ascendia Brands, Inc. and Subsidiaries

Consolidated Balance Sheets

(Amounts in thousands, except for share and per share data)

	August 26, 2006 (unaudited)	February 28, 2006
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 225	\$ 1,876
Trade receivables, net of allowances of \$734 at August 26, 2006 and \$528 at February 28, 2006	12,255	6,471
Inventories	14,987	16,269
Miscellaneous receivables	44	1,693
Note receivable, current portion	97	95
Prepaid expenses and other	808	679
Total current assets	28,416	27,083
Property, plant and equipment, net	6,542	6,502
Goodwill	14,554	14,554
Intangibles, net	50,928	53,203
Notes receivable, less current portion	282	340
Other assets, net	7,819	1,264
Total assets	\$ 108,541	\$ 102,946
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 10,329	\$ 9,024
Accrued expenses	3,457	2,852
Accrued interest	600	1,202
Current portion of long-term debt	9	32
Total current liabilities	14,395	13,110
Long-term debt, less current portion	83,591	80,000
Long-term pension obligation	1,017	967
Total liabilities	99,003	94,077
Stockholders' equity:		
Convertible preferred stock, par value \$.001 per share; Authorized 1,000,000 shares; issued and outstanding 2,347,7746 shares at August 26, 2006 and issued and outstanding 2,553.6746 shares at February 28, 2006		
Common stock, par value \$.001 per share; Authorized 225,000,000 shares; issued and outstanding 13,913,056 shares at August 26, 2006 and issued and outstanding 13,882,056 shares at February 28, 2006	14	14
Additional paid in capital	42,721	37,907
Accumulated deficit	(32,453)	(28,378)
Accumulated comprehensive loss	(744)	(674)
Total stockholders' equity	9,538	8,869

Edgar Filing: ASCENDIA BRANDS, INC. - Form 10-Q

Total liabilities and stockholders' equity	\$	108,541	\$	102,946
--------------------------------------------	----	---------	----	---------

See accompanying notes to consolidated financial statements.

1

Edgar Filing: ASCENDIA BRANDS, INC. - Form 10-Q

Ascendia Brands, Inc. and Subsidiaries

Consolidated Statement of Operations

(Unaudited)

(Amounts in thousands, except for share and per share data)

	For the thirteen weeks ended		For the twenty-six weeks ended	
	August 26,	August 27,	August 26,	August 27,
	2006	2005	2006	2005
Net sales	\$24,404	\$ 16,841	\$49,326	\$ 34,192
Cost of sales	19,935	15,600	40,130	31,900
Gross Profit	4,469	1,241	9,196	2,292
Operating expenses:				
Selling and marketing	1,457	877	2,858	1,844
General and administrative	4,364	2,653	7,723	4,389
Total operating expenses	5,821	3,530	10,581	6,233
Loss from operations	(1,352) (2,289) (1,385) (3,941
Other income (loss):				
Interest expense, net	(3,118) (369		