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STATESSECURITIES AND EXCHANGE COMMISSIONWashington, D.C. 20549FORM 10-Kâ˜’ ANNUAL REPORT PURSUANT TO SECTIONS 13 AND 15(d)OF THE SECURITIES EXCHANGE ACT OF 1934For the fiscal year ended SeptemberÂ 28, 2024or,â˜ TRANSITION REPORT PURSUANT TO SECTIONS 13 AND 15(d)OF THE SECURITIES EXCHANGE ACT OF 1934Commission File No.1-09453ARK RESTAURANTS CORP.(Exact Name of Registrant as Specified in Its Charter)New YorkÂ 13-3156768(State or Other Jurisdiction ofIncorporation or Organization)Â (IRS Employer Identification No.)85 Fifth Avenue,New York,NY10003(Address of Principal Executive Offices)(Zip Code)Registrantâ€™s telephone number, including area code: (212) 206-8800Securities registered pursuant to section 12(b) of the Act:Â Title of each classÂ Trading symbol(s)Name of each exchange on which registeredÂ Â Common Stock, par value $0.01 per shareÂ ARKRThe NASDAQ Stock Market LLCÂ Securities registered pursuant to Section 12(g) of the Act: NoneIndicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes â˜ No â˜’Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes â˜ No â˜’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 â˜’ No â˜Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulations S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes â˜’ No â˜Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of â€œlarge accelerated filer,â€ â€œaccelerated filer,â€ â€œsmaller reporting company,â€ and â€œemerging growth companyâ€ in Rule 12b-2 of the Exchange Act.Large accelerated filer â˜Accelerated filerâ˜Non-accelerated filerâ˜’Smaller Reporting Companyâ˜’Emerging Growth CompanyÂ Â â˜If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. â˜If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. â˜Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to Â§240.10D-1(b). â˜Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes â˜ No â˜’As of MarchÂ 30, 2024, the last business day of the registrantâ€™s most recently completed second fiscal quarter, the aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was $24,764,066.At DecemberÂ 13, 2024, there were outstanding 3,604,157 shares of the registrantâ€™s Common Stock, $0.01 par value.DOCUMENTS INCORPORATED BY REFERENCEIn accordance with General Instruction G (3) of Form 10-K, certain information required by Part III hereof will either be incorporated into this Form 10-K by reference to the registrantâ€™s definitive proxy statement for the registrantâ€™s Annual Meeting of Stockholders filed within 120 days of SeptemberÂ 28, 2024 or will be included in an amendment to this Form 10-K filed within 120 days of SeptemberÂ 28, 2024.PART ISPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTSOn one or more occasions, we may make statements in this Annual Report on Form 10-K regarding our assumptions, projections, expectations, targets, intentions or beliefs about future events. All statements, other than statements of historical facts, included or incorporated by reference herein relating to managementâ€™s current expectations of future financial performance, continued growth and changes in economic conditions or capital markets are forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.Words or phrases such as â€œanticipates,â€ â€œbelieves,â€ â€œestimates,â€ â€œexpects,â€ â€œintends,â€ â€œplans,â€ â€œpredicts,â€ â€œprojects,â€ â€œtargets,â€ â€œwill likely result,â€ â€œhopes,â€ â€œwill continueâ€ or similar expressions identify forward-looking statements. Forward-looking statements involve risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed. We caution that while we make such statements in good faith and we believe such statements are based on reasonable assumptions, including without limitation, managementâ€™s examination of historical operating trends, data contained in records and other data available from third parties, we cannot assure you that our projections will be achieved. Factors that may cause such differences include: economic conditions generally and in each of the markets in which we are located, the amount of sales contributed by new and existing restaurants, labor costs for our personnel, fluctuations in the cost of food products, adverse weather conditions, changes in consumer preferences and the level of competition from existing or new competitors. We have attempted to identify, in context, certain factors that we believe may cause actual future experience and results to differ materially from our current expectation regarding the relevant matter or subject area.While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this report in the context of the factors that could cause outcomes to differ materially from our expectations. These factors include, but are not limited to:â€¢the adverse impact of the current political climate and current and future economic conditions, including inflation, on our: (i) operating results, cash flows and financial condition, (ii) ability to comply with the terms and covenants of our debt agreements, (iii) ability to pay or refinance our existing debt or to obtain additional financing, and (iv) projected cash flows used in assessing assets for impairment;â€¢increases in food, beverage and supply costs, especially for seafood, shellfish, chicken and beef;â€¢increases in wages and benefit costs, including the cost of group medical insurance;â€¢our ability to open new restaurants in new and existing markets, including difficulty in finding sites and in negotiating acceptable leases;â€¢our ability to identify appropriate acquisition candidates and complete such acquisitions on acceptable terms;â€¢vulnerability to changes in consumer preferences and economic conditions;â€¢vulnerability to conditions in the cities in which we operate;â€¢vulnerability to adverse weather conditions and natural disasters given the geographic concentration and real estate intensive nature of our business;â€¢our ability to extend existing leases on favorable terms, if at all, including our Bryant Park Grill & Cafe and The Porch at Bryant Park leases which both expire on April 30, 2025;â€¢negative publicity, whether or not valid, and our ability to respond to and effectively manage the accelerated impact of social media;â€¢risks associated with food safety and quality and food-borne illnesses;â€¢the reliance of the Company on the continued service of its executive officers;â€¢the impact of any security breaches of confidential customer information in connection with our electronic process of credit and debit card transactions; and3â€¢the impact of any failure of our information technology system or any breach of our network security.We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences we anticipate or affect us or our operations in the ways that we expect. The forward-looking statements included in this report are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.From time to time, oral or written forward-looking statements are also included in our reports on Forms 10-K, 10-Q, and 8-K, our Schedule 14A, our press releases and other materials released to the public. Although we believe that at the time made, the expectations reflected in all of these forward-looking statements are and will be reasonable; any or all of the forward-looking statements in this Annual Report on Form 10-K, our reports on Forms 10-Q, and 8-K, our Schedule 14A and any other public statements that are made by us may prove to be incorrect. This may occur as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties. Many factors discussed in this Annual Report on Form 10-K, certain of which are beyond our control, will be important in determining our future performance. Consequently, actual results may differ materially from those that might be anticipated from forward-looking statements. In light of these and other uncertainties, you should not regard the inclusion of a forward-looking statement in this Annual Report on Form 10-K or other public communications that we might make as a representation by us that our plans and objectives will be achieved, and you should not place undue reliance on such forward-looking statements.We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. However, your attention is directed to any further disclosures made on related subjects in our subsequent periodic reports filed with the Securities and Exchange Commission on Forms 10-Q and 8-K and Schedule 14A.Unless the context requires otherwise, references to â€œwe,â€ â€œus,â€ â€œour,â€ â€œARKRâ€ and the â€œCompanyâ€ refer specifically to Ark Restaurants Corp. and its subsidiaries, partnerships, variable interest entities and predecessor entities.4Item 1. BusinessOverviewWe are a New York corporation formed in 1983. As of the fiscal year ended SeptemberÂ 28, 2024, we owned and/or operated 17 restaurants and bars, 16 fast food concepts and catering operations through our subsidiaries. Four of our restaurant and bar facilities are located in New York City, one is located in Washington, D.C., five are located in Las Vegas, Nevada, one is located in Atlantic City, New Jersey, four are located on the east coast of Florida and two are located on the Gulf Coast of Alabama.Our restaurants are typically larger, destination properties intended to benefit from high patron traffic attributable to the uniqueness of the location and catered events. All of our expansion in recent years has been through acquisitions as follows: The Rustic Inn in Dania Beach, Florida (2014); Shuckers in Jensen Beach, Florida (2016); two Original Oyster Houses, one in Gulf Shores, Alabama and one in Spanish Fort, Alabama (2017), JB's on the Beach in Deerfield Beach, Florida (2019), and Blue Moon Fish Company (2021) in Lauderdale-by-the-Sea, Florida.The names and themes of each of our restaurants are different except for our two Broadway Burger Bar and Grill restaurants and two Original Oyster House restaurants. The menus in our restaurants are extensive, offering a wide variety of high-quality foods at generally moderate prices. The atmosphere at many of the restaurants is lively and extremely casual. Most of the restaurants have separate bar areas, are open seven days a week and most serve lunch as well as dinner. A majority of our net sales are derived from dinner as opposed to lunch service.While decor differs from restaurant to restaurant, interiors are marked by distinctive architectural and design elements which often incorporate dramatic interior open spaces and extensive glass exteriors. The wall treatments, lighting and decorations are typically vivid, unusual and, in some cases, highly theatrical.5The following table sets forth the restaurant properties we lease, own and operate as of SeptemberÂ 28, 2024:NameLocationYearOpened(1)Restaurant Size(Square Feet)SeatingCapacity(2)Indoor-(Outdoor)LeaseExpiration(3)SequoiaWashington HarbourWashington, D.C.199026,000Â 600Â (400)2035Bryant Park GrillÂ & CafÃ© (4)Bryant ParkNew York, New York199525,000Â 180Â (820)2025AmericaNew York-New YorkHotel and CasinoLas Vegas, Nevada199720,000Â 450Â Â 2034Gallagherâ€™s SteakhouseNew York-New YorkHotel and CasinoLas Vegas, Nevada19975,500Â 260Â 2033Gonzalez y GonzalezNew York-New YorkHotel and CasinoLas Vegas, Nevada19972,000Â 120Â 2034Broadway Burger Bar and GrillNew York-New YorkHotel and CasinoLas Vegas, Nevada20071,500Â 100Â 2034Village Eateries (5)New York-New YorkHotelÂ and CasinoLas Vegas, Nevada19976,300Â 400Â (*)2035YolosPlanet HollywoodResort and CasinoLas Vegas, Nevada20074,100Â 206Â 2026RobertMuseum of ArtsÂ & DesignNew York, New York20095,530Â 150Â Â 2035Broadway Burger Bar and GrillTropicana Hotel and CasinoAtlantic City, New Jersey20136,825Â 225Â Â 2033The Rustic InnDania Beach, Florida201416,150Â 575Â (75)OwnedThe Porch at Bryant Park (4)(6)Bryant ParkNew York, New York20152,240Â â€”Â (160)2025ShuckersJensen Beach, Florida20167,310Â 220Â (170)OwnedThe Original Oyster HouseGulf Shores, Alabama20179,230Â 300Â Â OwnedThe Original Oyster HouseSpanish Fort, Alabama201710,500Â 420Â Â OwnedJB's on the BeachDeerfield Beach, Florida201910,000Â 365Â (100)2044Blue Moon Fish CompanyLauderdale-by-the-Sea, Florida20214,800Â 240Â (30)2046___________________________________(1)Restaurants are, from time to time, renovated, renamed and/or converted from or to managed or owned facilities. â€œYear Openedâ€ refers to the year in which we, or an affiliated predecessor of us, first opened, acquired or began managing a restaurant at the applicable location, notwithstanding that the restaurant may have been renovated, renamed and/or converted from or to a managed or owned facility since that date.(2)Seating capacity refers to the seating capacity of the indoor part of a restaurant available for dining in all seasons and weather conditions. Outdoor seating capacity, if applicable, is set forth in parentheses and refers to the seating capacity of terraces and sidewalk cafes which are available for dining only in the warm seasons and then only inclement weather.(3)Assumes the exercise of all of our available lease renewal options.(4)The Company's leases for the Bryant Park Grill & Cafe and The Porch at Bryant Park expire on April 30, 2025. During July 2023 (for Bryant Park Grill & Cafe) and September 2023 (for The Porch at Bryant Park), the Company received requests for proposals (the "RFPs") from the landlord which we responded to on October 26, 2023. The RFPs for both 6locations are for new 10-year agreements with one five-year renewal option (see Note 11 - Commitments and Contingencies to the Consolidated Financial Statements). (5)We operate six small food court restaurants and one full-service restaurant in the Village Eateries food court at the New York-New York HotelÂ and Casino. We also operate that hotelâ€™s room service, banquet facilities and employee cafeteria.(6)This location is for a kiosk located at Bryant Park, New York, New York and all seating is outdoors (see Note 11 - Commitments and Contingencies to the Consolidated Financial Statements). (*)Represents common area seating.The following table sets forth our less than wholly-owned properties that are managed by us, which have been consolidated as of SeptemberÂ 28, 2024 (see Notes 1 and 2 to the Consolidated Financial Statements):NameLocationYearOpened(1)Restaurant Size(Square Feet)SeatingCapacity(2)Indoor-(Outdoor)LeaseExpiration(3)El Rio Grande (4)(5)Third Avenue(between 38th and 39th Streets)New York, New York19874,000Â 220Â (60)2029Tampa Food Court (6)(7)Hard Rock Hotel and CasinoTampa, Florida20044,000Â 250Â (*)2029Hollywood Food Court (6)(7)Hard Rock Hotel and CasinoHollywood, Florida20049,000Â 250Â (*)2029___________________________________(1)Restaurants are, from time to time, renovated, renamed and/or converted from or to managed or owned facilities. â€œYear Openedâ€ refers to the year in which we, or an affiliated predecessor of us, first opened, acquired or began managing a restaurant at the applicable location, notwithstanding that the restaurant may have been renovated, renamed and/or converted from or to a managed or owned facility since that date.(2)Seating capacity refers to the seating capacity of the indoor part of a restaurant available for dining in all seasons and weather conditions. Outdoor seating capacity, if applicable, is set forth in parentheses and refers to the seating capacity of terraces and sidewalk cafes which are available for dining only in the warm seasons and then only inclement weather.(3)Assumes the exercise of all our available lease renewal options.(4)Management fees earned, which have been eliminated in consolidation, are based on a percentage of cash flow of the restaurant.(5)We own a 19.2% interest in the partnership that owns El Rio Grande. The Company advised the landlord of El Rio Grande we would be terminating the lease and closing the property permanently on or around January 1, 2025 (see Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Recent Restaurant Dispositions).(6)Management fees earned, which have been eliminated in consolidation, are based on a percentage of gross sales of the restaurant.(7)We own a 64.4% interest in the partnership that owns the Tampa and Hollywood Food Courts. On November 26, 2024, the Company agreed to terminate its lease for the food court at The Hard Rock Hotel and Casino in Tampa, FL. The termination agreement is subject to the approval of the United States Department of the Interior, Bureau of Indian Affairs (see Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operations - Recent Developments).(*)Represents common area seating7LeasesWe are not currently committed to any significant development projects, except for the refresh obligations in connection with the New York-New York Hotel and Casino lease renewals discussed below; however, we may take advantage of opportunities we consider to be favorable, when they occur, depending upon the availability of financing and other factors.Restaurant Expansion and Other DevelopmentsOn April 8, 2022, the Company extended its lease for Gallagher's Steakhouse at the New York-New York Hotel and Casino in Las Vegas, NV through December 31, 2032. In connection with the extension, the Company agreed to spend a minimum of $1,500,000 to materially refresh the premises by April 30, 2023 (as extended from September 30, 2022 due to supply chain issues). Accordingly, the property was substantially closed for renovation on February 5, 2023 and reopened on April 28, 2023. The total cost of the refresh was approximately $1,900,000.On June 24, 2022, the Company extended its lease for America at the New York-New York Hotel and Casino in Las Vegas, NV through December 31, 2033. In connection with the extension, the Company has agreed to spend a minimum of $4,000,000 to materially refresh the premises by December 31, 2025 (as extended from December 31, 2024), subject to various extensions as set out in the agreement. To date approximately $100,000 has been spent on this refresh. On July 21, 2022, the Company extended its lease for the Village Eateries at the New York-New York Hotel and Casino in Las Vegas, NV through December 31, 2034. As part of this extension, the Broadway Burger Bar and Grill and Gonzalez y Gonzalez, were carved out of the Village Eateries footprint and the extended date for those two locations is December 31, 2033. In connection with the extension, the Company has agreed to spend a minimum of $3,500,000 to materially refresh all three of these premises by December 31, 2025 (as extended from June 30, 2023), subject to various extensions as set out in the agreement. To date approximately $950,000 has been spent on this refresh.Each of the above refresh obligations are to be consistent with designs approved by the landlord which shall not be unreasonably withheld. We have and will continue to pay all rent as required by the leases without abatement during construction. Note that our substantial completion of work set forth in plans approved by the landlord shall constitute our compliance with the requirements of the completion deadlines, regardless of whether or not the amount actually expended in connection therewith is less than the minimum.Our restaurants generally do not achieve substantial increases in revenue from year to year, which we consider to be typical of the restaurant industry. To achieve significant increases in revenue or to replace revenue of restaurants that lose customer favor or which close because of lease expirations or other reasons, we would have to open additional restaurant facilities or expand existing restaurants. There can be no assurance that a restaurant will be successful after it is opened, particularly since in many instances we do not operate our new restaurants under a trade name currently used by us, thereby requiring new restaurants to establish their own identity.We may take advantage of other opportunities we consider to be favorable, when they occur, depending upon the availability of financing and other factors.Recent Restaurant DispositionsThe Company advised the landlord of El Rio Grande (a consolidated VIE) we would be terminating the lease and closing the property permanently on or around January 1, 2025. In connection with this notification, the Company recorded a loss of $876,000 during the year ended September 28, 2024 consisting of: (i) rent and other costs incurred in accordance with the termination provisions of the lease in the amount of $398,000, (ii) accrued severance and other costs in the amount of $94,000, (iii) an impairment charge related to long-lived assets in the amount of $269,000 and (iv) the write-off of our security deposit in the amount of $238,000, all partially offset by a gain related to the write-off of right-of-use ("ROU") assets and related lease liabilities in the net amount of $123,000.Investment in New Meadowlands Racetrack LLCOn March 12, 2013, the Company made a $4,200,000 investment in the New Meadowlands Racetrack LLC (â€œNMRâ€) through its purchase of a membership interest in Meadowlands Newmark, LLC, an existing member of NMR with a then 63.7% ownership interest. On November 19, 2013, the Company invested an additional $464,000 in NMR through a purchase of an additional membership interest in Meadowlands Newmark, LLC resulting in a total ownership of 11.6% of Meadowlands Newmark, LLC, and an effective ownership interest in NMR of 7.4%, subject to dilution. In 2015, the Company invested an additional $222,000 in NMR and on February 7, 2017, the Company invested an additional $222,000 in NMR, both as a result of capital calls, bringing its total investment to $5,108,000 with no change in ownership. The Company accounts for this investment at cost, less 8impairment, adjusted for subsequent observable price changes in accordance with Accounting Standards Update ("ASU") No. 2016-01. There are no observable prices for this investment.During the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, the Company received distributions from NMR in the amounts of $26,000 and $52,000, respectively, which are included in other income in the consolidated statements of operations for the years then ended.In addition to the Companyâ€™s ownership interest in NMR, if casino gaming is approved at the Meadowlands and NMR is granted the right to conduct said gaming, the Company shall be granted the exclusive right to operate the food and beverage concessions in the gaming facility with the exception of one restaurant.In conjunction with this investment, the Company, through a 97% owned subsidiary, Ark Meadowlands LLC (â€œAM VIEâ€), also entered into a long-term agreement with NMR for the exclusive right to operate food and beverage concessions serving the new raceway facilities (the â€œRacing F&B Concessionsâ€) located in the new raceway grandstand constructed at the Meadowlands Racetrack in northern New Jersey. Under the agreement, NMR is responsible to pay for the costs and expenses incurred in the operation of the Racing F&B Concessions, and all revenues and profits thereof inure to the benefit of NMR. AM VIE receives an annual fee equal to 5% of the net profits received by NMR from the Racing F&B Concessions during each calendar year. AM VIE is a variable interest entity; however, based on qualitative consideration of the contracts with AM VIE, the operating structure of AM VIE, the Companyâ€™s role with AM VIE, and that the Company is not obligated to absorb expected losses of AM VIE, the Company has concluded that it is not the primary beneficiary and not required to consolidate the operations of AM VIE.On April 25, 2014, the Company loaned $1,500,000 to Meadowlands Newmark, LLC. The note bears interest at 3%, compounded monthly and added to the principal, and is due in its entirety on June 30, 2029. The note may be prepaid, in whole or in part, at any time without penalty or premium. The principal and accrued interest related to this note in the amounts of $1,442,000 and $1,399,000, are included in Investment In and Receivable From New Meadowlands Racetrack in the consolidated balance sheets at SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, respectively.Restaurant ManagementEach restaurant is managed by its own manager and has its own chef. Food products and other supplies are purchased primarily from various unaffiliated suppliers, in most cases by our headquarters' personnel. Each of our restaurants has two or more assistant managers and sous chefs (assistant chefs). Financial and management control is maintained at the corporate level through the use of automated systems that include centralized accounting and reporting.Purchasing and DistributionWe strive to obtain quality menu ingredients, raw materials and other supplies and services for our operations from reliable sources at competitive prices. Substantially all menu items are prepared on each restaurantâ€™s premises daily from scratch, using fresh ingredients. Each restaurantâ€™s management determines the quantities of food and supplies required and then orders the items from local, regional and national suppliers on terms negotiated by our centralized purchasing staff. Restaurant-level inventories are maintained at a minimum dollar-value level in relation to sales due to the relatively rapid turnover of the perishable produce, poultry, meat, fish and dairy commodities that are used in operations.We attempt to negotiate short-term and long-term supply agreements depending on market conditions and expected demand. However, we do not contract for long periods of time for our fresh commodities such as produce, poultry, meat, fish and dairy items and, consequently, such commodities can be subject to unforeseen supply and cost fluctuations. Independent food service distributors deliver most food and supply items daily to restaurants. The financial impact of the termination of any such supply agreements would not have a material adverse effect on our financial position. We believe that we have established stable long-term relationships with several key suppliers, particularly with respect to crabs and other shellfish. CompetitionThe hospitality industry is highly competitive and is often affected by changes in taste and entertainment trends among the public, by local, national and economic conditions affecting spending habits, and by population and traffic patterns. We believe that the principal means of competition among restaurants include the location, type and quality of facilities and the type, quality and price of beverage and food served.Our restaurants compete directly or indirectly with many well-established competitors, both nationally and locally owned, some with substantially greater financial resources than we have. Their resources and market presence may provide advantages in 9marketing, purchasing and negotiating leases. We compete with other restaurant and retail establishments for sites and finding management personnel.EmployeesAt November 30, 2024, we employed 1,862 persons (including employees at managed facilities), 1,246 of whom were full-time employees, and 616 of whom were part-time employees; 36 of whom were headquarters personnel, 147 of whom were restaurant management personnel, 733 of whom were kitchen personnel and 678 of whom were restaurant service personnel. A number of our restaurant service personnel are employed on a part-time basis. Changes in minimum wage levels may adversely affect our labor costs and the restaurant industry generally because a large percentage of restaurant personnel are paid at or slightly above the minimum wage. Our employees are not covered by any collective bargaining agreements.In the past, we have experienced aggressive competition for talent, wage inflation and pressure to improve workplace conditions and benefits as a result of the COVID-19 pandemic and various other economic factors. Our compensation packages may prove insufficient to attract and retain the best personnel in light of the challenges posed by the pandemic and wage pressures resulting from the labor shortage. Higher employee turnover levels or our failure to recruit and retain new restaurant employees in a timely manner could impact our ability to grow sales at existing restaurants or open new restaurants and also result in higher than projected labor costs.Trademarks and Service MarksWe regard our trademarks and other service marks related to our restaurant businesses, as having significant value and as being important to our marketing efforts. Our policy is to pursue registration of our important service marks and trademarks and to vigorously oppose any infringement of them. Generally, with appropriate renewal and use, we expect that the registration of our service marks and trademarks will continue indefinitely.Government RegulationWe are subject to various federal, state and local laws affecting our business. Each restaurant is subject to licensing and regulation by a number of governmental authorities that may include alcoholic beverage control, health, sanitation, environmental, zoning and public safety agencies in the state or municipality in which the restaurant is located. Difficulties in obtaining or failures to obtain the required licenses or approvals could delay or prevent the development and openings of new restaurants, or could disrupt the operations of existing restaurants.Alcoholic beverage control regulations require each of our restaurants to apply to a state authority and, in certain locations, county and municipal authorities for licenses and permits to sell alcoholic beverages on the premises. Typically, licenses must be renewed annually and may be subject to penalties, temporary suspension or revocation for cause at any time. Alcoholic beverage control regulations impact many aspects of the daily operations of our restaurants, including the minimum ages of patrons and employees consuming or serving such beverages; employee alcoholic beverages training and certification requirements; hours of operation; advertising; wholesale purchasing and inventory control of such beverages; seating of minors and the service of food within our bar areas; and the storage and dispensing of alcoholic beverages. State and local authorities in many jurisdictions routinely monitor compliance with alcoholic beverage laws. The failure to receive or retain, or a delay in obtaining, a liquor license for a particular restaurant could adversely affect our ability to obtain such licenses in jurisdictions where the failure to receive or retain, or a delay in obtaining, a liquor license occurred.We are subject to â€œdram-shopâ€ statutes in most of the states in which we have operations, which generally provide a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to such person. We carry liquor liability coverage as part of our existing comprehensive general liability insurance. A settlement or judgment against us under a â€œdram-shopâ€ statute in excess of liability coverage could have a material adverse effect on our operations.Various federal and state labor laws govern our operations and our relationship with employees, including such matters as minimum wages, breaks, overtime, fringe benefits, safety, working conditions and citizenship requirements. We are also subject to the regulations of the U.S. Citizenship and Immigration Services. If our employees do not meet federal citizenship or residency requirements, their deportation could lead to a disruption in our work force. Significant government-imposed increases in minimum wages, paid leaves of absence and mandated health benefits, or increased tax reporting, assessment or payment requirements related to employees who receive gratuities could be detrimental to our profitability.Our facilities must comply with the applicable requirements of the Americans With Disabilities Act of 1990 (â€œADAâ€) and related state statutes. The ADA prohibits discrimination on the basis of disability with respect to public accommodations and 10employment. Under the ADA and related state laws, when constructing new restaurants or undertaking significant remodeling of existing restaurants, we must make them more readily accessible to disabled persons.We are subject to federal and state environmental regulations, but these rules have not had a material effect on our operations. During fiscal 2024, there were no material capital expenditures for environmental control facilities and no material expenditures for this purpose are anticipated.Seasonal Nature of BusinessOur business is highly seasonal; however, our broader geographical reach as a result of recent acquisitions is expected to continue to mitigate some of the risk. For instance, the second quarter of our fiscal year, consisting of the non-holiday portion of the cold weather season in New York and Washington (January, February and March), is the poorest performing quarter; however, in recent years this has been partially offset by our locations in Florida as they experience increased results in the winter months. We achieve our best results during the warmer weather, attributable to our extensive outdoor dining availability, particularly at Bryant Park in New York and Sequoia in Washington, D.C. (our largest restaurants) and our outdoor cafes. However, even during summer months these facilities can be adversely affected by unusually cool or rainy weather conditions. Our facilities in Las Vegas are indoor and generally operate on a more consistent basis throughout the year, although in recent years the summer months have seen lower traffic.Available InformationWe make available free of charge through our Internet website, www.arkrestaurants.com, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, statements of beneficial ownership of securities on Forms 3, 4 and 5 and amendments to these reports and statements filed or furnished pursuant to Section 13(a) and Section 16 of the Securities Exchange Act of 1934 as soon as reasonably practicable after such materials are electronically filed with, or furnished to, the United States Securities and Exchange Commission, or SEC. These SEC reports can be accessed through the investor relations section of our website. The information found on our website is not part of this or any other report we file with or furnish to the SEC. The above information is also available at the SECâ€™s Office of Investor Education and Advocacy at United States Securities and Exchange Commission, 100 F Street, N.E., Washington, D.C. 20549-0213 or obtainable by calling the SEC at (800) 732-0330. In addition, the SEC maintains an Internet website at www.sec.gov, where the above information can be viewed.Our principal executive offices are located at 85 Fifth Avenue, New York, New York 10003, and our telephone number is (212) 206-8800. Unless the context specifically requires otherwise, the terms the â€œCompany,â€ â€œArk,â€ â€œwe,â€ â€œusâ€ and â€œourâ€ mean Ark Restaurants Corp., a Delaware corporation, and its consolidated subsidiaries.Item 1A. Risk FactorsNot applicable.Item 1B. Unresolved Staff CommentsNot applicable.Item 1C. CybersecurityRisk Management and StrategyWe have established policies and processes for assessing, identifying, and managing material risks from cybersecurity threats, and have integrated these processes into our overall risk management systems and processes. Management, with the assistance of third party service providers, routinely assesses material risks from cybersecurity threats, including any potential unauthorized occurrence on or conducted through our information systems that may result in adverse effects on the confidentiality, integrity, or availability of our information systems or any information residing therein.We design and assess our program based on the National Institute of Standards and Technology ("NIST") Cybersecurity Framework ("CSF"). This does not imply that we meet any particular technical standards, specifications, or requirements, but that we use the NIST framework as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.11We conduct risk assessments at least annually to identify cybersecurity threats based on the NIST CSF. These risk assessments include identifying reasonably foreseeable potential internal and external risks, the likelihood of occurrence and any potential damage that could result from such risks, and the sufficiency of existing policies, procedures, systems, controls and other safeguards we have put in place to manage such risks. Our risk management process also encompasses cybersecurity risks associated with the use of our major third-party vendors and service providers.Following these risk assessments, we design, implement, and maintain reasonable safeguards to minimize the identified risks; reasonably address any identified gaps in existing safeguards; update existing safeguards as necessary; and monitor the effectiveness of our safeguards. While cybersecurity threats have not materially affected our business strategy, results of operations or financial condition, future incidents may interrupt our operations and could materially adversely affect our business, results of operations and financial condition.GovernanceOur senior management, including our Chief Executive Officer (â€œCEOâ€), Chief Financial Officer (â€œCFOâ€) and Co-Chief Operating Officers, are responsible for identifying and assessing cybersecurity risks on an ongoing basis, establishing processes designed to provide reasonable assurance that such potential cybersecurity risk exposures are monitored, instituting appropriate mitigation and remediation measures, and maintaining cybersecurity programs. Our cybersecurity program is led by our CFO who has experience in cybersecurity risk management from both a practical and management standpoint and utilizes third-party consulting firms on a regular basis to assist with risk mitigation, incident response and overall maintenance of our cybersecurity program.The Board of Directors considers cybersecurity risk as part of its overall risk oversight function. The Board of Directors receives updates from the CFO regarding the Companyâ€™s cybersecurity risk management program at least annually. These include updates on the Companyâ€™s cybersecurity risks and threats, the status of projects to strengthen the information security systems, assessments of the information security program, and the emerging cybersecurity threat landscape.Item 2. PropertiesOur restaurant facilities and our executive offices, with the exception of The Rustic Inn in Dania Beach, Florida, Shuckers in Jensen Beach, Florida and the two Original Oyster House properties in Alabama, are occupied under leases. Most of our restaurant leases provide for the payment of base rents plus real estate taxes, insurance and other expenses and, in certain instances, for the payment of a percentage of our sales at such facility. As of SeptemberÂ 28, 2024, these leases (including leases for managed restaurants) have terms (including any available renewal options) expiring as follows:Fiscal Year LeaseTerms ExpireNumber ofFacilities2024-202742028-203232033-203782038-2042â€”2043-20473Our executive, administrative and clerical offices are located in approximately 8,500 square feet of office space at 85 Fifth Avenue, New York, New York. Our lease for this office space expires in 2038. For information concerning our future lease payments under non-cancelable operating leases, see Note 9 of the Notes to Consolidated Financial Statements.12Item 3. Legal ProceedingsIn the ordinary course of our business, we are a party to various lawsuits arising from accidents at our restaurants and workersâ€™ compensation claims, which are generally handled by our insurance carriers.Our employment of management personnel, waiters, waitresses and kitchen staff at a number of different restaurants has resulted in the institution, from time to time, of litigation alleging violation by us of employment discrimination laws. We do not believe that any of such suits will have a material adverse effect upon us, our financial condition or operations.The Company is not subject to pending legal proceedings, other than ordinary claims incidental to its business, which the Company does not believe will materially impact results of operations.Item 4. Mine Safety DisclosuresNot applicable.13PART IIItem 5.Â Â Â Â Market For The Registrantâ€™s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity SecuritiesMarket for Our Common StockOur common stock, $0.01 par value, is traded on the NASDAQ Capital Market under the symbol â€œARKR.â€On December 10, 2024, there were approximately 23 holders of record of our common stock and the last reported sales price was $13.79. A substantially greater number of holders of our common stock are â€œstreet nameâ€ or beneficial holders, whose shares are held by banks, brokers and other financial institutions. Dividend PolicyOn November 8, 2023, February 6, 2024, and May 7, 2024, the Board of Directors of the Company (the "Board") declared quarterly cash dividends of $0.1875, $0.1875, and $0.1875, respectively, per share, which were paid on December 13, 2023, March 13, 2024, and June 12, 2024, respectively, to the stockholders of record of the Company's common stock at the close of business on November 30, 2023, February 29, 2024, and May 31, 2024, respectively. The Board has not declared any dividends since May 7, 2024. Future decisions to pay or to increase or decrease dividends are at the discretion of the Board and will depend upon operating performance and other factors.Purchases of Equity Securities by Issuer and Affiliated PurchasesNoneRecent Sales of Unregistered SecuritiesNoneSecurities Authorized for Issuance under Equity Compensation PlansPrior to fiscal 2022, the Company had options outstanding under two stock option plans: the 2010 Stock Option Plan (the â€œ2010 Planâ€) and the 2016 Stock Option Plan (the â€œ2016 Planâ€). Options granted under both plans are exercisable at prices at least equal to the fair market value of such stock on the dates the options were granted and expire ten years after the date of grant.On March 15, 2022, the shareholders of the Company approved the Ark Restaurants Corp. 2022 Stock Option Plan (the "2022 Plan"). Effective with this approval, the Company terminated the 2016 Plan along with the 63,750 authorized but unissued options under the 2016 Plan. Such termination did not affect any of the options previously issued and outstanding under the 2016 Plan, which remain outstanding in accordance with their terms. Under the 2022 Plan, 500,000 options were authorized for future grant and are exercisable at prices at least equal to the fair market value of such stock on the dates the options were granted. The options expire ten years after the date of grant.On January 18, 2024, options to purchase 107,500 shares of common stock at an exercise price of $14.80 per share were granted to officers and directors of the Company under the 2022 Plan. Such options are exercisable as to 25% of the shares commencing on the first anniversary of the date of grant and as to an additional 25% on each yearly anniversary thereafter. The grant date fair value of these stock options was $4.39 per share and totaled approximately $472,000.During the year ended September 28, 2023, no options to purchase shares of common stock were issued by the Company.14The following is a summary of the securities issued and authorized for issuance under our Stock Option Plans at SeptemberÂ 28, 2024:Plan Category(a) Number ofsecurities to beissued uponexercise ofoutstandingoptions, warrantsand rights(b) Weighted average exerciseprice ofoutstandingoptions, warrantsand rights(c) Number of securitiesremaining available forfuture issuance under equitycompensation plans(excluding securitiesreflected in column (a))Equity compensation plans approved by shareholders415,750$17.89370,000Equity compensation plans not approved by shareholders (1)NoneN/ANoneTotal415,750$17.89370,000Of the 415,750 options outstanding as of SeptemberÂ 28, 2024, 159,000 were held by the Companyâ€™s officers and directors.(1)The Company has no equity compensation plans that were not approved by shareholders.The Company also maintains a Section 162(m) Cash Bonus Plan. Under the Company's Section 162(m) Cash Bonus Plan, compensation paid in excess of $1,000,000 to any employee who is the chief executive officer, or one of the three highest paid executive officers on the last day of that tax year (other than the chief executive officer or the chief financial officer) is not tax deductible.Item 6.Â Â Â Â ReservedNot applicable.Item 7. Managementâ€™s Discussion and Analysis of Financial Condition and Results of OperationsStatement Regarding Forward-Looking DisclosureThe following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Consolidated Financial Statements and related notes included under Item 8 of this annual report. This discussion contains forward-looking statements, which involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors, including but not limited to, those discussed elsewhere in this annual report. Please see the discussion of forward-looking statements at the beginning of this annual report under "Special Note Regarding Forward-Looking Statements".InflationBeginning in 2021, our operating results were impacted by geopolitical and other macroeconomic events, causing supply chain challenges and significantly increased commodity and wage inflation. While we have seen improvements in many of these areas, some of these factors continued to impact our operating results in fiscal 2024. The ongoing impact of these events could lead to further shifts in consumer behavior, wage inflation, staffing challenges, product and services cost inflation, disruptions in our supply chain and delays in opening and acquiring new restaurants. If these factors significantly impact our cash flow in the future, we may again implement mitigation actions such as continued suspension of dividends, increasing borrowings or modifying our operating strategies. Some of these measures may have an adverse impact on our business, including possible impairments of assets.OverviewAs of SeptemberÂ 28, 2024, the Company owned and operated 17 restaurants and bars, 16 fast food concepts and catering operations, exclusively in the United States, that have similar economic characteristics, nature of products and service, class of customer and distribution methods. The Company believes it meets the criteria for aggregating its operating segments into a single reporting segment in accordance with applicable accounting guidance. 15Accounting PeriodOur fiscal year ends on the Saturday nearest September 30. We report fiscal years under a 52/53-week format. This reporting method is used by many companies in the hospitality industry and is meant to improve year-to-year comparisons of operating results. Under this method, certain years will contain 53 weeks. The fiscal years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023 both included 52 weeks.SeasonalityThe Company has substantial fixed costs that do not decline proportionally with sales. Although our business is highly seasonal, our broader geographical reach as a result of prior acquisitions is expected to continue to mitigate some of the risk. For instance, the second quarter of our fiscal year, consisting of the non-holiday portion of the cold weather season in New York and Washington (January, February and March), is the poorest performing quarter; however, in recent years this has been partially offset by our locations in Florida as they experience increased results in the winter months. We generally achieve our best results during the warmer weather, attributable to our extensive outdoor dining availability, particularly at Bryant Park in New York and Sequoia in Washington, D.C. (our largest restaurants) and our outdoor cafes. However, even during summer months these facilities can be adversely affected by unusually cool or rainy weather conditions. Our facilities in Las Vegas are indoor and generally operate on a more consistent basis throughout the year, although in recent years the summer months have seen lower traffic. Recent Developments The Company's agreements with the Bryant Park Corporation (the â€œLandlordâ€), (a private non-profit entity that manages Bryant Park under agreements with the New York City Department of Parks & Recreation) for the Bryant Park Grill & Cafe and The Porch at Bryant Park expire on April 30, 2025. During July 2023 (for the Bryant Park Grill & Cafe) and September 2023 (for The Porch at Bryant Park), the Company received requests for proposals (the "RFPs") from the Landlord to which we responded on October 26, 2023. The agreements offered under the RFPs for both locations are for new 10-year agreements, with one five-year renewal option. Any operator awarded the agreements must be approved by both the New York City Department of Parks & Recreation and the New York Public Library. To date, the landlord has not announced the selection of a successful bidder; however, the landlord has made public statements of its intention to select an operator other than the Company. In response to these public statements and other information obtained by the Company, management has engaged outside advisors who have been assisting with our efforts to obtain the extensions by ensuring the RFP awards process is both fair and transparent. We intend to pursue all available options to protect our interests. The Bryant Park Grill & Cafe and The Porch at Bryant Park, collectively, accounted for $31.1 million and $30.4 million of our total revenues in fiscal 2024 and 2023, respectively, which represented approximately 17.35% and 16.78% of our total revenue for such periods, respectively. The Companyâ€™s inability to extend or renew these leases on favorable terms, if at all, could have a material adverse effect on our business, financial condition, and results of operations. Results of OperationsThe Companyâ€™s operating loss for the year ended SeptemberÂ 28, 2024 (which includes a goodwill impairment charge of $4,000,000, a loss on the closure of El Rio Grande of $876,000 and impairment losses on right-of-use and long-lived assets in the amount of $2,500,000 related to Sequoia) was $4,294,000, down 11.3% as compared to an operating loss for the year ended SeptemberÂ 30, 2023 (which includes a goodwill impairment charge of $10,000,000) of $4,840,000 for the year ended SeptemberÂ 30, 2023.Excluding the goodwill impairment charges of $4,000,000 and $10,000,000, respectively, for the fiscal years ended 2024 and 2023 and the loss on the closure of El Rio Grande of $876,000 and the impairment losses on right-of-use and long-lived assets of $2,500,000 related to Sequoia for fiscal year ended 2024, operating income for the year ended SeptemberÂ 28, 2024 decreased 40.3% to $3,082,000 as compared to $5,160,000 for the year ended SeptemberÂ 30, 2023. We attribute this decrease primarily to a decrease in same store sales as discussed below combined with increased base rents and inflationary pressures related to non-commodity items partially offset by the reversal of stock-based compensation expenses relating to forfeitures in the amount of $1,156,000 combined with the negative impact on the prior period of the temporary closure of Gallagher's Steakhouse for renovation on February 5, 2023 (which reopened on April 28, 2023). 16The following table summarizes the significant components of the Companyâ€™s operating results for the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, respectively:Year EndedVarianceSeptember 28,2024September 30,2023$%REVENUES:(in thousands)Food and beverage sales$179,110Â $180,820Â $(1,710)-0.9Â %Other revenue4,435Â 3,973Â 462Â 11.6Â %Total revenues183,545Â 184,793Â (1,248)-0.7Â %COSTS AND EXPENSES:Food and beverage cost of sales49,519Â 49,624Â (105)-0.2Â %Payroll expenses65,844Â 66,322Â (478)-0.7Â %Occupancy expenses24,622Â 23,472Â 1,150Â 4.9Â %Other operating costs and expenses24,125Â 23,498Â 627Â 2.7Â %General and administrative expenses12,263Â 12,407Â (144)-1.2Â %Depreciation and amortization4,090Â 4,310Â (220)-5.1Â %Loss on closure of El Rio Grande876Â â€”Â 876Â N/AImpairment losses on right-of-use and long-lived assets2,500Â â€”Â 2,500Â N/AGoodwill impairment4,000Â 10,000Â (6,000)N/ATotal costs and expenses187,839Â 189,633Â (1,794)-0.9Â %OPERATING LOSS$(4,294)$(4,840)$546Â 11.3Â %RevenuesDuring the year ended SeptemberÂ 28, 2024, revenues decreased -0.7% as compared to revenues for the year ended SeptemberÂ 30, 2023. We attribute this small decrease primarily to the changes in same-store sales discussed below. Food and Beverage Same-Store SalesOn a Company-wide basis, same-store food and beverage sales for the year ended SeptemberÂ 28, 2024 decreased 1.1% as compared with the year ended SeptemberÂ 30, 2023 as follows:Year EndedVarianceSeptember 28,2024September 30,2023$%(in thousands)Â Â Las Vegas$55,794Â $55,441Â $353Â 0.6Â %New York37,318Â 37,039Â 279Â 0.8Â %Washington, D.C.9,135Â 10,599Â (1,464)-13.8Â %Atlantic City, NJ2,923Â 2,999Â (76)-2.5Â %Alabama17,885Â 17,175Â 710Â 4.1Â %Florida53,390Â 55,122Â (1,732)-3.1Â %Â Â Â Â Same-store sales176,445Â 178,375Â $(1,930)-1.1Â %Other2,665Â 2,445Â Â Â Â Â Food and beverage sales$179,110Â $180,820Â Â Â Same-store sales in Las Vegas increased marginally which we primarily attribute to the negative impact to the prior period as a result of the temporary closure of Gallagher's Steakhouse for renovation from February 5, 2023 to April 27, 2023, partially offset by a decrease in customer traffic in the current year. Same-store sales in New York increased marginally which we primarily attribute to targeted menu price increases. Same-store sales in Washington, D.C. decreased 13.8% which we primarily attribute to 17lower headcounts, especially during lunch and after-work hours, which we attribute to continued hybrid work schedules as well as the closure of the property from Monday through lunch on Thursdays during winter months. Same-store sales in Atlantic City, NJ decreased 2.5% which we primarily attribute to lower customer traffic at the property where we are located. Same-store sales in Alabama increased 4.1% which we primarily attribute to better than expected customer traffic and targeted menu price increases. Same-store sales in Florida decreased 3.1% which we primarily attribute to lower headcounts as compared to the comparable prior period, which benefited from outsized volumes as a result of the population increase in Southeast Florida as a result of the migration of people during the pandemic partially offset by targeted menu price increases. Other food and beverage sales consist of administrative fees and other charges related to catered events. Our restaurants generally do not achieve substantial increases in revenue from year to year, which we consider to be typical of the restaurant industry. To achieve significant increases in revenue or to replace revenue of restaurants that lose customer favor or which close because of lease expirations or other reasons, we would have to open additional restaurant facilities or expand existing restaurants. There can be no assurance that a restaurant will be successful after it is opened, particularly since in many instances we do not operate our new restaurants under a trade name currently used by us, thereby requiring new restaurants to establish their own identity.Other RevenuesIncluded in other revenues are purchase service fees which represent commissions earned by a subsidiary of the Company for providing purchasing services to other restaurant groups, as well as merchandise sales, license fees, property management fees and other rentals. The increase in other revenues for the year ended SeptemberÂ 28, 2024 as compared to the year ended SeptemberÂ 30, 2023 is primarily due to an increase in purchase service fees.Costs and ExpensesCosts and expenses for the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023 were as follows (in thousands):Â Year EndedSeptember 28,Â 2024% toTotal RevenuesYear EndedSeptember 30,Â 2023% toTotal RevenuesIncrease(Decrease)Â $%Food and beverage cost of sales$49,519Â 27.0Â %$49,624Â 26.9Â %$(105)-0.2Â %Payroll expenses65,844Â 35.9Â %66,322Â 35.9Â %(478)-0.7Â %Occupancy expenses24,622Â 13.4Â %23,472Â 12.7Â %1,150Â 4.9Â %Other operating costs and expenses24,125Â 13.1Â %23,498Â 12.7Â %627Â 2.7Â %General and administrative expenses12,263Â 6.7Â %12,407Â 6.7Â %(144)-1.2Â %Depreciation and amortization4,090Â 2.2Â %4,310Â 2.3Â %(220)-5.1Â %Loss on closure of El Rio Grande876Â 0.5Â %â€”Â â€”Â %876Â N/AImpairment losses on right-of-use and long-lived assets2,500Â 1.4Â %â€”Â â€”Â %2,500Â N/AGoodwill impairment4,000Â 2.2Â %10,000Â 5.4Â %(6,000)N/ATotal costs and expenses$187,839Â $189,633Â $(1,794)Food and beverage costs as a percentage of total revenues for the year ended SeptemberÂ 28, 2024 were consistent with last year which we attribute to stabilized commodity prices. Payroll expenses as a percentage of total revenues for the year ended SeptemberÂ 28, 2024 were consistent with last year, which we attribute primarily to increased minimum wages in the states where we operate offset by better shift management and related overtime hours.Occupancy expenses as a percentage of total revenues for the year ended SeptemberÂ 28, 2024 increased as compared to last year, which we attribute primarily to increases in base rents and increases in property and liability insurance premiums. Other operating costs and expenses as a percentage of total revenues for the year ended SeptemberÂ 28, 2024 increased as compared to last year primarily as a result of inflation.General and administrative expenses (which relate solely to the corporate office in New York City) for the year ended SeptemberÂ 28, 2024 decreased as compared to the same period of last year primarily as a result of the reversal of compensation 18expense in the amount of $1,134,000 related to options that expired or were cancelled unexercised partially offset by increased legal and consulting expenses and annual merit increases. Depreciation and amortization expense for the year ended SeptemberÂ 28, 2024 decreased slightly as compared to the same period of last year, which we attribute primarily to certain assets becoming fully depreciated.Loss on Closure of El Rio GrandeThe Company advised the landlord of El Rio Grande (a consolidated VIE) we would be terminating the lease and closing the property permanently on or around January 1, 2025. In connection with this notification, the Company recorded a loss of $876,000 during the year ended September 28, 2024 consisting of: (i) rent and other costs incurred in accordance with the termination provisions of the lease in the amount of $398,000, (ii) accrued severance and other costs in the amount of $94,000, (iii) an impairment charge related to long-lived assets in the amount of $269,000 and (iv) the write-off of our security deposit in the amount of $238,000, all partially offset by a gain related to the write-off of ROU assets and related lease liabilities in the net amount of $123,000.Impairment Losses on Right-of-Use and Long-lived AssetsDuring the year ended SeptemberÂ 28, 2024, impairment indicators were identified at our Sequoia property located in Washington, D.C. due to lower-than-expected operating results. Accordingly, the Company tested the recoverability of Sequoia's ROU and long-lived assets and concluded they were not recoverable. Based on a discounted cash flow analysis, the Company recognized impairment charges of $1,561,000 and $939,000 related to Sequoia's ROU assets and long-lived assets, respectively. No impairment charges were recognized related to long-lived assets or ROU assets during the year ended SeptemberÂ 30, 2023. Given the inherent uncertainty in projecting results of restaurants, the Company will continue to monitor the recoverability of the carrying value of the assets of Sequoia and several other restaurants on an ongoing basis. If expected performance is not realized, further impairment charges may be recognized in future periods, and such charges could be material.Goodwill ImpairmentGoodwill is the excess of cost over fair market value of tangible and intangible net assets acquired. Goodwill is not presently amortized but tested for impairment annually or when the facts or circumstances indicate a possible impairment of goodwill as a result of a continual decline in performance or as a result of fundamental changes in a market. In performing its goodwill impairment test as of September 30, 2023, the Company determined that a triggering event had occurred. Due to the volatility of the Company's stock price in the fourth quarter of fiscal 2023, the upcoming expiration of the current Bryant Park Grill & Cafe and The Porch at Bryant Park leases on April 30, 2025 and the related requests for proposals from the landlord for both locations received in July 2023 and September 2023, respectively (see Note 11 - Commitments and Contingencies to the Consolidated Financial Statements), the Company determined that there were indicators of potential impairment of its goodwill as of September 30, 2023. As of September 28, 2024, there had been a lack of communication from the landlord regarding our proposals. In August 2024, the Company became aware that the landlord was in discussions with another operator. Accordingly, the Company performed qualitative and quantitative assessments of its goodwill as of September 28, 2024 and September 30, 2023. The fair value of our equity was determined using the income approach. Given the relatively low volume of shares traded as of September 28, 2024 and September 30, 2023, the Company determined the income approach provided the best approximation of fair value. In the income approach, we utilized a discounted cash flow analysis, which involved estimating the expected future after-tax cash flows generated and then discounting those cash flows to present value, reflecting the relevant risks associated with the achievement of projected cash flows, the possibility that the Bryant Park Grill & Cafe and The Porch at Bryant Park leases may not be renewed beyond their expirations on April 30, 2025, and the time value of money. This approach requires the use of significant estimates and assumptions, including forecasted revenue growth rates, forecasted cash flows from operations, and discount rates that reflect the risk inherent in the future cash flows.Based on the impairment analysis, the carrying amount of our equity exceeded its estimated fair value, which indicated an impairment of the carrying value of our goodwill at September 28, 2024 and September 30, 2023. Accordingly, during the fourth quarters of fiscal 2024 and 2023, the Company recorded goodwill impairment charges of $4,000,000 and $10,000,000, respectively, of which $4,000,000 and $8,000,000, respectively, was deductible for tax purposes and resulted in a deferred income tax benefit of $1,074,000 and $2,300,000, respectively. Such impairments have been attributed to factors such as, but not limited to, a decrease in the market price of the Company's common stock and lower than expected profitability. Income TaxesOur income tax expense, deferred tax assets and liabilities, and liabilities for uncertain tax positions reflect managementâ€™s best estimate of current and future taxes to be paid. We are subject to income tax in numerous state taxing jurisdictions. Significant judgment and estimates are required in the determination of consolidated income tax expense. The provision for income taxes 19reflects federal income taxes calculated on a consolidated basis and state and local income taxes which are calculated on a separate entity basis.For state and local income tax purposes, certain losses incurred by a subsidiary may only be used to offset that subsidiaryâ€™s income, with the exception of the restaurants operating in the District of Columbia. Accordingly, our overall effective tax rate has varied depending on the level of income and losses incurred at individual subsidiaries.Deferred income taxes arise from temporary differences between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements, which will result in taxable or deductible amounts in the future. In evaluating our ability to recover our deferred tax assets in the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations. The assumptions about future taxable income require the use of significant judgment and are consistent with the plans and estimates we are using to manage the underlying businesses.On December 27, 2020, the Consolidated Appropriations Act of 2021 (â€œCAAâ€) was enacted and provided clarification on the tax deductibility of expenses funded with PPP loans as fully deductible for tax purposes. During the years ended September 28, 2024 and September 30, 2023, the Company recorded income of $285,000 and $272,000, respectively, for financial reporting purposes related to the forgiveness of its PPP loans. The forgiveness of these amounts is not taxable.The Companyâ€™s overall effective tax rate in the future will be affected by factors such as the utilization of state and local net operating loss carryforwards, the generation of FICA tax credits and the mix of earnings by state taxing jurisdictions as Nevada does not impose a state income tax, as compared to the other major state and local jurisdictions in which the Company has operations. Our overall effective tax rate in the future will be affected by factors such as income earned by our VIEs, generation of FICA TIP credits and the mix of geographical income for state tax purposes as Nevada does not impose an income tax.Liquidity and Capital ResourcesOur primary source of capital has been cash provided by operations and, in recent years, bank and other borrowings to finance specific transactions, acquisitions and large remodeling projects. We utilize cash generated from operations to fund the cost of developing and opening new restaurants and smaller remodeling projects of existing restaurants we own. Consistent with many other restaurant operators, we typically use operating lease arrangements for our restaurants. In recent years, we have been able to acquire the underlying real estate at several locations along with the restaurant operation. We believe that our operating lease arrangements provide appropriate leverage of our capital structure in a financially efficient manner.The Company had a working capital deficit of $10,659,000 at SeptemberÂ 28, 2024 as compared to working capital deficit of $5,932,000 at SeptemberÂ 30, 2023. This increase in the deficit is primarily the result of all of our note payments becoming current as they mature through May 31, 2025. The Company is currently working with its lender on a new credit agreement which we expect to be completed in the second fiscal quarter of 2025; however, there can be no assurances that this agreement will be completed. We believe that our existing cash balances and current banking facilities will be sufficient to meet our liquidity and capital spending requirements and finance our operating activities for at least the next 12 months. InflationBeginning in 2021, our operating results were impacted by geopolitical and other macroeconomic events, causing supply chain challenges and significantly increased commodity and wage inflation. While we have seen improvements in many of these areas, some of these factors continued to impact our operating results in fiscal 2024. The ongoing impact of these events could lead to further shifts in consumer behavior, wage inflation, staffing challenges, product and services cost inflation, disruptions in our supply chain and delays in opening and acquiring new restaurants. If these factors significantly impact our cash flow in the future, we may again implement mitigation actions such as continued suspension of dividends, increasing borrowings or modifying our operating strategies. Some of these measures may have an adverse impact on our business, including possible impairments of assets.While we have been able to offset inflation and other changes in the costs of key operating resources by targeted increases in menu prices, coupled with more efficient purchasing practices, there can be no assurance that we will be able to continue to do so in the future. From time to time, competitive conditions will limit our menu pricing flexibility. In addition, macroeconomic conditions that impact consumer discretionary spending for food away from home could make additional menu price increases imprudent. There can be no assurance that all of our future cost increases can be offset by higher menu prices or that higher menu prices will be accepted by our restaurant customers without any resulting changes in their visit frequencies or purchasing patterns.20Cash Flows for the Years Ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023Net cash provided by operating activities for the year ended SeptemberÂ 28, 2024 decreased to $4,654,000 as compared to $8,386,000 for the year ended SeptemberÂ 30, 2023 and resulted primarily from changes in net working capital primarily related to prepaid, refundable and accrued income taxes and accounts payable and accrued expenses. Net cash used in investing activities for the year ended SeptemberÂ 28, 2024 was $2,392,000 compared to net cash provided by investing activities of $1,276,000 for the year ended SeptemberÂ 30, 2023. This decrease resulted primarily from proceeds from the maturity of certificates of deposit in the prior period partially offset by lower purchases of fixed assets at existing restaurants in the current period. Net cash used in financing activities for the year ended SeptemberÂ 28, 2024 was $5,404,000 and resulted primarily from principal payments on notes payable in the amount of $1,987,000, the payment of dividends in the amount of $2,028,000 and the payment of distributions to non-controlling interests in the amount of $1,389,000. Net cash used in financing activities for the year ended SeptemberÂ 30, 2023 was $19,686,000 and resulted primarily from principal payments on notes payable of $16,334,000 (including the prepayment of a promissory note in the amount of $6,666,000 on March 30, 2023 and the prepayment of three promissory notes in the aggregate amount of $6,046,000 on April 4, 2023), the payment of dividends in the amount of $2,252,000 and the payment of distributions to non-controlling interests in the amount of $1,139,000.On November 8, 2023, February 6, 2024, and May 7, 2024, the Board of Directors of the Company (the "Board") declared quarterly cash dividends of $0.1875, $0.1875, and $0.1875, respectively, per share, which were paid on December 13, 2023, March 13, 2024, and June 12, 2024, respectively, to the stockholders of record of the Company's common stock at the close of business on November 30, 2023, February 29, 2024, and May 31, 2024, respectively. The Board has not declared any dividends since May 7, 2024. Future decisions to pay dividends are at the discretion of the Board and will depend upon operating performance and other factors.Restaurant Expansion and Other DevelopmentsOn April 8, 2022, the Company extended its lease for Gallagher's Steakhouse at the New York-New York Hotel and Casino in Las Vegas, NV through December 31, 2032. In connection with the extension, the Company agreed to spend a minimum of $1,500,000 to materially refresh the premises by April 30, 2023 (as extended from September 30, 2022 due to supply chain issues). Accordingly, the property was substantially closed for renovation on February 5, 2023 and reopened on April 28, 2023. The total cost of the refresh was approximately $1,900,000.On June 24, 2022, the Company extended its lease for America at the New York-New York Hotel and Casino in Las Vegas, NV through December 31, 2033. In connection with the extension, the Company has agreed to spend a minimum of $4,000,000 to materially refresh the premises by December 31, 2025 (as extended from December 31, 2024, subject to further extension as set out in the agreement. To date approximately $100,000 has been spent on this refresh.On July 21, 2022, the Company extended its lease for the Village Eateries at the New York-New York Hotel and Casino in Las Vegas, NV through December 31, 2034. As part of this extension, the Broadway Burger Bar and Grill and Gonzalez y Gonzalez, were carved out of the Village Eateries footprint and the extended date for those two locations is December 31, 2033. In connection with the extension, the Company has agreed to spend a minimum of $3,500,000 to materially refresh all three of these premises by December 31, 2025 (as extended from June 30, 2023), subject to further extension as set out in the agreement. To date approximately $950,000 has been spent on this refresh.Each of the above refresh obligations are to be consistent with designs approved by the landlord which shall not be unreasonably withheld. We have and will continue to pay all rent as required by the leases without abatement during construction. Note that our substantial completion of work set forth in plans approved by the landlord shall constitute our compliance with the requirements of the completion deadlines, regardless of whether or not the amount actually expended in connection therewith is less than the minimum.Our restaurants generally do not achieve substantial increases in revenue from year to year, which we consider to be typical of the restaurant industry. To achieve significant increases in revenue or to replace revenue of restaurants that lose customer favor or which close because of lease expirations or other reasons, we would have to open additional restaurant facilities or expand existing restaurants. There can be no assurance that a restaurant will be successful after it is opened, particularly since in many instances we do not operate our new restaurants under a trade name currently used by us, thereby requiring new restaurants to establish their own identity.We may take advantage of other opportunities we consider to be favorable, when they occur, depending upon the availability of financing and other factors.21Recent Restaurant DispositionsThe Company advised the landlord of El Rio Grande (a consolidated VIE) we would be terminating the lease and closing the property permanently on or around January 1, 2025. In connection with this notification, the Company recorded a loss of $876,000 during the year ended September 28, 2024 consisting of: (i) rent and other costs incurred in accordance with the termination provisions of the lease in the amount of $398,000, (ii) accrued severance and other costs in the amount of $94,000, (iii) an impairment charge related to long-lived assets in the amount of $269,000 and (iv) the write-off of our security deposit in the amount of $238,000, all partially offset by a gain related to the write-off of ROU assets and related lease liabilities in the net amount of $123,000.Investment in and Receivable from New Meadowlands Racetrack LLCOn March 12, 2013, the Company made a $4,200,000 investment in the New Meadowlands Racetrack LLC (â€œNMRâ€) through its purchase of a membership interest in Meadowlands Newmark, LLC, an existing member of NMR with a 63.7% ownership interest. On November 19, 2013, the Company invested an additional $464,000 in NMR through a purchase of an additional membership interest in Meadowlands Newmark, LLC resulting in a total ownership of 11.6% of Meadowlands Newmark, LLC, and an effective ownership interest in NMR of 7.4%, subject to dilution. In 2015, the Company invested an additional $222,000 in NMR with no change in ownership. In February 2017, the Company funded its proportionate share ($222,000) of a $3,000,000 capital call bringing its total investment to $5,108,000 with no change in ownership.During the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, the Company received distributions from NMR in the amounts of $26,000 and $52,000, respectively, which are included in other income in the consolidated statements of operations for the years then ended.In addition to the Companyâ€™s ownership interest in NMR, if casino gaming is approved at the Meadowlands and NMR is granted the right to conduct said gaming, the Company shall be granted the exclusive right to operate the food and beverage concessions in the gaming facility with the exception of one restaurant.In conjunction with this investment, the Company, through a 97% owned subsidiary, Ark Meadowlands LLC (â€œAM VIEâ€), also entered into a long-term agreement with NMR for the exclusive right to operate food and beverage concessions serving the new raceway facilities (the â€œRacing F&B Concessionsâ€) located in the new raceway grandstand constructed at the Meadowlands Racetrack in northern New Jersey. Under the agreement, NMR is responsible to pay for the costs and expenses incurred in the operation of the Racing F&B Concessions, and all revenues and profits thereof inure to the benefit of NMR. AM VIE receives an annual fee equal to 5% of the net profits received by NMR from the Racing F&B Concessions during each calendar year.On April 25, 2014, the Company loaned $1,500,000 to Meadowlands Newmark, LLC. The note bears interest at 3%, compounded monthly and added to the principal, and is due in its entirety on January 31, 2024. The note may be prepaid, in whole or in part, at any time without penalty or premium. The principal and accrued interest related to this note in the amounts of $1,442,000 and $1,399,000, are included in Investment In and Receivable From New Meadowlands Racetrack in the consolidated balance sheets at SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, respectively. On April 30, 2023, the due date of the note was extended to June 30, 2029.Notes Payable â€“ BankOn March 30, 2023, the Company entered into a Second Amended and Restated Credit Agreement (the â€œCredit Agreementâ€), with its lender, Bank Hapoalim B.M. (â€œBHBMâ€). This facility, which matures on June 1, 2025, replaced our revolving credit facility which was entered into on June 1, 2018 (the "Prior Credit Agreement"). Under the terms of the Credit Agreement: (i) a promissory note under the Prior Credit Agreement in the amount of $6,666,000 was repaid, (ii) BHBM established a new revolving credit facility in the amount of $10,000,000 with a commitment termination date of May 31, 2025, (iii) the Company may use the revolving commitments of BHBM to obtain letters of credit up to a sublimit thereunder of $1,000,000, and (iv) the LIBOR rate option for all borrowings was replaced with the secured overnight financing rate for U.S. Government Securities (â€œSOFRâ€). Advances under the Credit Agreement bear interest, at the Company's election at the time of the advance, at either BHBM's prime rate of interest plus a 0.45% spread or SOFR plus a 3.65% spread. In addition, there is a 0.30% per annum fee for any unused portion of the $10,000,000 revolving facility. As of September 28, 2024, no advances were outstanding under the Credit Agreement. As of September 28, 2024, the weighted average interest on the outstanding BHBM indebtedness was approximately 8.9%. The replacement of LIBOR with SOFR as a reference rate in our debt agreements did not have a material adverse effect on our financial position or materially affect our interest expense.Borrowings under the Credit Agreement, which include the promissory notes as discussed in Note 10 of the consolidated financial statements in the aggregate amount of $5,167,000, are secured by all tangible and intangible personal property (including 22accounts receivable, inventory, equipment, general intangibles, documents, chattel paper, instruments, letter-of-credit rights, investment property, intellectual property and deposit accounts) and fixtures of the Company. The loan agreements provide, among other things, that the Company meet minimum quarterly tangible net worth amounts, maintain a minimum fixed charge coverage ratio and meet minimum annual net income amounts. The loan agreements also contain customary representations, warranties and affirmative covenants as well as customary negative covenants, subject to negotiated exceptions on liens, relating to other indebtedness, capital expenditures, liens, affiliate transactions, disposal of assets and certain changes in ownership. The Company was in compliance with all of its financial covenants under the Credit Agreement as of September 28, 2024 except for the minimum annual net income requirement. On December 11, 2024, BHBM agreed to waive applicability of this covenant (and any breach arising therefrom) as of September 28, 2024.Paycheck Protection Program LoansPrior to fiscal 2023, the Company received loan proceeds from several banks in the aggregate amount of $15,106,000 (the â€œPPP Loansâ€) under the Paycheck Protection Program of the CARES Act, which was enacted March 27, 2020. Under the terms of the PPP Loans, some or all of the amounts thereunder, including accrued interest, were to be forgiven if they were used for Qualifying Expenses as described in and in compliance with the CARES Act. During the year ended SeptemberÂ 30, 2023, $272,000 of PPP Loans (including $6,000 of accrued interest), were forgiven. During the year ended SeptemberÂ 30, 2023, the Company made payments related to the unforgiven portion of PPP Loans in the aggregate amount of $531,000. As of September 28, 2024 and September 30, 2023, no PPP Loans were outstanding; however, the Company was denied forgiveness of one PPP Loan in fiscal 2023 in the amount of $285,000 and accordingly such amount was repaid. The Company filed an appeal concurrent with the repayment, which was granted and the amount was forgiven and refunded to the Company in November 2023. Critical Accounting Policies and EstimatesOur significant accounting policies are more fully described in Note 1 to our consolidated financial statements. While all of these significant accounting policies impact our financial condition and results of operations, we view certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our consolidated financial statements and require management to use a greater degree of judgment and estimates. Actual results may differ from those estimates.We believe that given current facts and circumstances, it is unlikely that applying any other reasonable judgments or estimate methodologies would cause a material effect on our consolidated results of operations, financial position or cash flows for the periods presented in this report.Below are listed certain policies that management believes are critical:Revenue RecognitionWe recognize revenues when it satisfies a performance obligation by transferring control over a product or service to a restaurant guest or other customer. Revenues from restaurant operations are presented net of discounts, coupons, employee meals and complimentary meals and recognized when food, beverage and retail products are sold. Sales tax collected from customers is excluded from sales and the obligation is included in sales tax payable until the taxes are remitted to the appropriate taxing authorities. Catering service revenue is generated through contracts with customers whereby the customer agrees to pay a contract rate for the service. Revenues from catered events are recognized in income upon satisfaction of the performance obligation (the date the event is held) and all customer payments, including nonrefundable upfront deposits, are deferred as a liability until such time. Revenues from gift cards are deferred and recognized upon redemption. Deferrals are not reduced for potential non-use as we generally have a legal obligation to remit the value of unredeemed gift cards to the relevant jurisdictions in which they are sold. Other revenues include purchase service fees which represent commissions earned by a subsidiary of the Company for providing purchasing services to other restaurant groups, as well as license fees, property management fees and other rentals.Use of EstimatesThe preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates are used for, but are not limited to: (i) projected cash flows related to asset impairments, including goodwill and intangibles, (ii) income tax valuation allowances for deferred tax assets, (iii) allowances for potential credit losses on receivables, (iv) assumptions regarding 23discount rates related to lease accounting, (v) the useful lives and recoverability of our long-lived assets, such as fixed assets and intangibles, (vi) fair values of financial instruments, (vii) share-based compensation, (viii) estimates made in connection with acquisition purchase price allocations, (ix) uncertain tax positions, and (x) determining when investment impairments are other-than-temporary. The Companyâ€™s accounting estimates require the use of judgment as future events and the effect of these events cannot be predicted with certainty. The accounting estimates may change as new events occur, as more experience is acquired and as more information is obtained. The Company evaluates and updates assumptions and estimates on an ongoing basis and may use outside experts to assist in the Companyâ€™s evaluation, as considered necessary. Actual results could differ from those estimates. Long-Lived AssetsLong-lived assets, such as property, plant and equipment subject to amortization, and right-of-use assets ("ROU assets") are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the evaluation of the fair value and future benefits of long-lived assets, the Company performs an analysis of the anticipated undiscounted future net cash flows of the related long-lived assets. If the carrying value of the related asset exceeds the undiscounted cash flows, the carrying value is reduced to its fair value. Various factors including estimated future sales growth and estimated profit margins are included in this analysis.The Company considers a triggering event related to long-lived or ROU assets in a net asset position to have occurred related to a specific restaurant if the restaurantâ€™s cash flows for the last 12 months are less than a minimum threshold or if consistent levels of undiscounted cash flows for the remaining lease period are less than the carrying value of the restaurantâ€™s assets. Additionally, the Company considers a triggering event related to ROU assets to have occurred related to a specific lease if the location has been subleased and future estimated sublease income is less than current lease payments. If the Company concludes that the carrying value of certain long-lived and ROU assets will not be recovered based on expected undiscounted future cash flows, an impairment loss is recorded to reduce the long-lived or ROU assets to their estimated fair value. The fair value is measured on a nonrecurring basis using unobservable (Level 3) inputs. There is uncertainty in the projected undiscounted future cash flows used in the Company's impairment review analysis, which requires the use of estimates and assumptions. If actual performance does not achieve the projections, or if the assumptions used change in the future, the Company may be required to recognize impairment charges in future periods, and such charges could be material.During the year ended SeptemberÂ 28, 2024, impairment indicators were identified at our Sequoia property located in Washington, D.C. due to lower-than-expected operating results. Accordingly, the Company tested the recoverability of Sequoia's ROU and long-lived assets and concluded they were not recoverable. Based on a discounted cash flow analysis, the Company recognized impairment charges of $1,561,000 and $939,000 related to Sequoia's ROU assets and long-lived assets, respectively. No impairment charges were recognized related to long-lived assets or ROU assets during the year ended SeptemberÂ 30, 2023. Given the inherent uncertainty in projecting results of restaurants, the Company will continue to monitor the recoverability of the carrying value of the assets of Sequoia and several other restaurants on an ongoing basis. If expected performance is not realized, further impairment charges may be recognized in future periods, and such charges could be material.Recoverability of Investment in New Meadowlands Racetrack (â€œNMRâ€)The carrying value of our investment in Meadowlands Newmark LLC, which has a 63.7% ownership in NMR, is determined using the cost method. In accordance with the cost method, our initial investment is recorded at cost and we record dividend income when applicable, if dividends are declared. We review our investment in NMR each reporting period to determine whether a significant event or change in circumstances has occurred that may have an adverse effect on its fair value.As a result, we performed an assessment of the recoverability of our indirect investment in NMR as of SeptemberÂ 28, 2024 which involved critical accounting estimates. These estimates require significant management judgment, include inherent uncertainties and are often interdependent; therefore, they do not change in isolation. Factors that management estimated include, among others, the probability of gambling being approved in northern New Jersey and NMR obtaining a license to operate a casino, revenue levels, cost of capital, marketing spending, tax rates and capital spending.In performing this assessment, we estimate the fair value of our investment in NMR using our best estimate of these assumptions which we believe would be consistent with what a hypothetical marketplace participant would use. The variability of these factors depends on a number of conditions, including uncertainty about future events and our inability as a minority shareholder to control certain outcomes and, thus, our accounting estimates may change from period to period. If other assumptions and estimates had been used when these tests were performed, impairment charges could have resulted.24As mentioned above, these factors do not change in isolation and, therefore, we do not believe it is practicable or meaningful to present the impact of changing a single factor. Furthermore, if management uses different assumptions or if different conditions occur in future periods, future impairment charges could result.LeasesWe determine if an arrangement contains a lease at inception. An arrangement contains a lease if it implicitly or explicitly identifies an asset to be used and conveys the right to control the use of the identified asset in exchange for consideration.Â As a lessee, we include operating leases in Operating lease ROU assets and Operating lease liabilities in our consolidated balance sheet. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized upon commencement of the lease based on the present value of the lease payments over the lease term.Â As most of our leases do not provide an implicit interest rate, we use our incremental borrowing rate based on the information available at commencement date to determine the present value of lease payments. Our lease terms may include options to extend or terminate the lease.Â  Options are included when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.Â Amendments or modifications to lease terms are accounted for as variable lease payments. Leases with a lease term of 12 months or less are accounted for using the practical expedient which allows for straight-line rent expense over the remaining term of the lease.Â Deferred Income Tax Valuation AllowanceWe provide such allowance due to uncertainty that some of the deferred tax amounts may not be realized. Certain items, such as state and local tax loss carryforwards, are dependent on future earnings or the availability of tax strategies. Future results could require an increase or decrease in the valuation allowance and a resulting adjustment to income in such period.Goodwill and TrademarksGoodwill and trademarks are not amortized, but are subject to impairment analysis. We assess the potential impairment of goodwill and trademarks annually (at the end of our fourth quarter) and on an interim basis whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If we determine through the impairment review process that goodwill or trademarks are impaired, we record an impairment charge in our consolidated statements of operations. With respect to goodwill, the Company assesses qualitative factors to determine whether it is necessary to perform a more detailed quantitative impairment test. The Company may elect to bypass the qualitative assessment and proceed directly to the quantitative test. When performing the quantitative test, an impairment loss is recognized if the carrying value of our equity, including goodwill, exceeds its fair value. In performing its goodwill impairment test as of September 30, 2023, the Company determined that a triggering event had occurred. Due to the volatility of the Company's stock price in the fourth quarter of fiscal 2023, the upcoming expiration of the current Bryant Park Grill & Cafe and The Porch at Bryant Park leases on April 30, 2025 and the related requests for proposals from the landlord for both locations received in July 2023 and September 2023, respectively (see Note 11 - Commitments and Contingencies to the Consolidated Financial Statements), the Company determined that there were indicators of potential impairment of its goodwill as of September 30, 2023. As of September 28, 2024, there had been a lack of communication from the landlord regarding our proposals. In August 2024, the Company became aware that the landlord was in discussions with another operator. Accordingly, the Company performed qualitative and quantitative assessments for its goodwill as of September 28, 2024 and September 30, 2023. The fair value of the equity was determined using the income approach. Given the relatively low volume of shares traded as of September 28, 2024 and September 30, 2023, the Company determined the income approach provided the best approximation of fair value. In the income approach, we utilized a discounted cash flow analysis, which involved estimating the expected future after-tax cash flows generated and then discounting those cash flows to present value, reflecting the relevant risks associated with the achievement of projected cash flows, the possibility that the Bryant Park Grill & Cafe and The Porch at Bryant Park leases may not be renewed beyond their expirations on April 30, 2025, and the time value of money. This approach requires the use of significant estimates and assumptions, including forecasted revenue growth rates, forecasted cash flows from operations, and discount rates that reflect the risk inherent in the future cash flows. More specifically, the weighted average cost of capital is a sensitive estimate as it reflects the market conditions including the risk that the Bryant Park Grill & CafÃ© and The Porch at Bryant Park leases will not be renewed. Our impairment analysis for trademarks consists of a comparison of the fair value to the carrying value of the assets. This comparison is made based on a review of historical, current and forecasted sales and profit levels, as well as a review of any factors that may indicate potential impairment. For the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, our impairment analysis did not result in any other charges related to trademarks.25Stock-Based CompensationThe Company measures stock-based compensation cost at the grant date based on the fair value of the award and recognizes it as expense over the applicable vesting period using the straight-line method. Excess income tax benefits related to share-based compensation expense that must be recognized directly in equity are considered financing rather than operating cash flow activities.The fair value of each of the Companyâ€™s stock options is estimated on the date of grant using a Black-Scholes option-pricing model that uses assumptions that relate to the expected volatility of the Companyâ€™s common stock, the expected dividend yield of our stock, the expected life of the options and the risk-free interest rate. The Company issues new shares upon the exercise of employee stock options.Recently Adopted and Issued Accounting StandardsSee Note 1 of Notes to Consolidated Financial Statements for a description of recent accounting pronouncements, including those adopted in fiscal 2024 and the expected dates of adoption and the anticipated impact on the consolidated financial statements.Recent DevelopmentsSee Note 17 of the Notes to Consolidated Financial Statements for a description of recent developments that have occurred subsequent to SeptemberÂ 28, 2024.Item 7A. Quantitative and Qualitative Disclosures About Market RiskNot applicable.Item 8. Financial Statements and Supplementary DataOur consolidated financial statements are included in this report immediately following Part IV.Item 9. Changes in and Disagreements With Accountants on Accounting and Financial DisclosureNone.Item 9A. Controls and ProceduresEvaluation of Disclosure Controls and ProceduresAs of SeptemberÂ 28, 2024 (the end of the period covered by this report), management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, at the end of such period, our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SECâ€™s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.26Managementâ€™s Annual Report on Internal Control Over Financial ReportingManagement is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rule 13a-15(f), and for performing an assessment of the effectiveness of internal control over financial reporting as of SeptemberÂ 28, 2024. Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.Management performed an assessment of the effectiveness of our internal control over financial reporting as of SeptemberÂ 28, 2024 based upon the criteria set forth in Internal Control â€" Integrated Framework issued by the 2013 Committee of Sponsoring Organizations of the Treadway Commission (â€œCOSOâ€). Based on our assessment, management determined that our internal control over financial reporting was effective as of SeptemberÂ 28, 2024.This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting as managementâ€™s report was not subject to attestation by our independent registered public accounting firm pursuant to the permanent exemption of the SEC that permits us to provide only managementâ€™s report in this annual report.Changes in Internal Control Over Financial ReportingThere have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the fourth quarter of fiscal 2024 that have materially affected, or are reasonably likely to materially affect, the Companyâ€™s internal control over financial reporting, other than changes to certain restaurant-level procedures with respect to approval limits and reconciliation procedures.Limitations of the Effectiveness of Internal ControlA control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of the inherent limitations of any internal control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.Item 9B. Other InformationInsider Trading ArrangementsDuring the 2024 fiscal year, none of our directors or executive officers adopted Rule 10b5-1 trading plans and none of our directors or executive officers terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in item 408(c) of Regulation S-K).Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent InspectionsNone.27PART IIIItem 10. Directors, Executive Officers and Corporate GovernanceInformation relating to our directors and executive officers is incorporated by reference to the definitive proxy statement for our annual meeting of stockholders to be filed with the Securities and Exchange Commission (the â€œSECâ€) pursuant to Regulation 14A no later than 120 days after the end of the fiscal year covered by this form (the â€œProxy Statementâ€). Information relating to compliance with Section 16(a) of the Exchange Act is incorporated by reference to the Proxy Statement.Code of EthicsWe have adopted a code of ethics (which includes our insider trading policy) that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. A copy is available free of charge through our Internet website, www.arkrestaurants.com, under the â€œInvestors-Corporate Governanceâ€ caption. We intend to satisfy the disclosure requirement under Item 5.05 of Current Report on Form 8-K regarding an amendment to, or waiver from, a provision of this code by posting such information on our website, at the address specified above.Item 11. Executive CompensationThe information required by this item is incorporated herein by reference to the Proxy Statement which will be filed no later than 120 days after SeptemberÂ 28, 2024.Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder MattersThe information required by this item is incorporated herein by reference to the Proxy Statement which will be filed no later than 120 days after SeptemberÂ 28, 2024.Item 13. Certain Relationships and Related Transactions and Director IndependenceThe information required by this item is incorporated herein by reference to the Proxy Statement which will be filed no later than 120 days after SeptemberÂ 28, 2024.Item 14. Principal Accountant Fees and ServicesThe information required by this item is incorporated herein by reference to the Proxy Statement which will be filed no later than 120 days after SeptemberÂ 28, 2024.28PART IVItem 15.Â Â Â Â Exhibits and Financial Statement Schedule(a)(1)Financial Statements:PageReport of Independent Registered Public Accounting Firm (PCAOB ID: 596)F-1Consolidated Balance Sheets - at SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023F-3Consolidated Statements of Operations - years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023F-4Consolidated Statements of Changes in Equity - years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023F-5Consolidated Statements of Cash Flows - years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023F-6Notes to Consolidated Financial StatementsF-7(2)Financial Statement Schedules:None.(3)Exhibits:The exhibits required by Item 601 of Regulation S-K and filed herewith are listed in the Exhibit List immediately following the Consolidated Financial Statements.29Report of Independent Registered Public Accounting FirmThe Board of Directors and ShareholdersArk Restaurants Corp.Opinion on the Financial StatementsWe have audited the accompanying consolidated balance sheets of Ark Restaurants Corp. and Subsidiaries (the â€œCompanyâ€) as of September 28, 2024 and September 30, 2023, and the related consolidated statements of operations, changes in equity, and cash flows for each of the two years then ended, and the related notes (collectively referred to as the â€œconsolidated financial statementsâ€). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 28, 2024 and September 30, 2023 and the results of its operations and its cash flows for each of the two years then ended in conformity with accounting principles generally accepted in the United States of America. Basis for OpinionThese consolidated financial statements are the responsibility of the entityâ€™s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to Ark Restaurants Corp. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entityâ€™s internal control over financial reporting. Accordingly, we express no such opinion.Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.Critical Audit MattersThe critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.Long-lived Asset and Right-of-Use Asset Valuation (Note 1 to the Consolidated Financial Statements)Critical Audit MatterLong-lived assets, such as property and plant and equipment subject to amortization, and right-of-use assets ("ROU assets") are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the evaluation of the fair value and future benefits of long-lived assets, the Company performs an analysis of the anticipated undiscounted future net cash flows of the related long-lived assets. If the carrying value of the related asset exceeds the undiscounted cash flows, the carrying value is reduced to its fair value. Various factors including estimated future sales growth and estimated profit margins are included in this analysis.The Company considers a triggering event related to long-lived assets or ROU assets in a net asset position to have occurred related to a specific restaurant if the restaurantâ€™s undiscounted cash flows for the remaining lease period are less than the carrying value of the restaurantâ€™s assets. Additionally, the Company considers a triggering event related to ROU assets to have occurred related to a specific lease if the location has been subleased and future estimated sublease income is less than current lease payments. If the Company concludes that the carrying value of certain long-lived assets and ROU assets will not be recovered F-1based on expected undiscounted future cash flows, an impairment loss is recorded to reduce the long-lived or ROU assets to their estimated fair value. The Company recorded impairment charges for its location in Washington, DC of $2,500,000 and for one of its locations in New York City of $876,000 during the year ended September 28, 2024.Significant judgment is exercised by the Company in performing their long-lived asset and right-of-use asset impairment analysis specifically surrounding the development of undiscounted cash flow forecasts. The related audit effort in evaluating management's judgments in determining the cash flow forecasts to be utilized was complex, subjective, and challenging, and required a high degree of auditor judgment.How our Audit Addressed the Critical Audit Matter Our principal audit procedures related to this critical audit matter included the following, among others:â€¢We gained an understanding of and evaluated the design and implementation of the Companyâ€™s controls that address the risk of material misstatement related to potential impairment.â€¢We evaluated management's significant accounting policies related to the consideration of impairment for long-lived assets for reasonableness.â€¢We tested the reasonableness of the underlying data used to determine the forecasted undiscounted future cash flows. â€¢We evaluated the reasonableness of undiscounted future cash flows utilized in the impairment analysis for the restaurants by comparing forecasted undiscounted cash flows to historical cash flows from each restaurant location, and evaluating management's future operating forecasts.â€¢ â€¢We evaluated the reasonableness of management's estimate that no impairment charges were appropriate during the year other than what was recorded.Goodwill Valuation (Note 7 to the Consolidated Financial Statements)Critical Audit MatterThe Companyâ€™s evaluation of goodwill for impairment involves the comparison of the fair value of the Company to its carrying value. The Company determined the income approach provided the best approximation of fair value given the relatively low volume of shares of the Companyâ€™s stock traded and the lack of reliable market data. In the income approach the Company utilized the discounted cash flow model to estimate fair value, which requires management to make significant estimates and assumptions related to forecasts of future revenue and operating margin. Changes in these assumptions could have a significant impact on either the fair value, the amount of any goodwill impairment charge, or both. The Company recorded an impairment charge of $4,000,000 for the year ended September 28, 2024.Significant judgment is exercised by management in estimating its fair value and the difference between its fair value and carrying value. Given these factors, the related audit effort in evaluating managementâ€™s judgments in determining the valuation of goodwill was challenging, subjective, and complex and required a high degree of auditor judgment.How our Audit Addressed the Critical Audit MatterOur principal audit procedures related to this critical audit matter included the following, among others: â€¢We gained an understanding of and evaluated the design and implementation of the Companyâ€™s controls that address the risk of material misstatement related to potential impairment. â€¢We evaluated managementâ€™s significant accounting policies related to the consideration of goodwill impairment for reasonableness. â€¢We evaluated managementâ€™s ability to accurately forecast future revenues and profit margins by comparing actual results to managementâ€™s historical forecasts. â€

¢We evaluated the reasonableness of managementâ€™s assumptions by:â—¦Comparing forecasts of revenue and profit margins to historical revenues and profit margins.â—¦Reading select internal communications to management and the Board of Directors. F-2â—¦Considering the remaining lease terms of the companyâ€™s locations as the lease terms could have an impact on future cashflows. Our consideration included challenging managementâ€™s assumptions in its valuation regarding the risk of non-renewal of significant leases in its various locations.â—¦Involving a valuation professional with specialized skills and knowledge, who assisted in considering the reasonableness of the weighted average cost of capital used in the discounted cash flow forecast /s/ CohnReznick LLP PCAOB ID: 596We have served as the Companyâ€™s auditors since 2004.Melville, New YorkDecember 19, 2024F-2ARK RESTAURANTS CORP. AND SUBSIDIARIESCONSOLIDATED BALANCE SHEETS(In Thousands, Except Per Share Amounts)September 28,2024September 30,2023ASSETSCURRENT ASSETS:Cash and cash equivalents (includes $292 at SeptemberÂ 28, 2024 and $564 atÂ Â Â Â SeptemberÂ 30, 2023 related to VIEs)$10,273Â $13,415Â Accounts receivable (includes $44 at SeptemberÂ 28, 2024 and $169 at SeptemberÂ 30, 2023Â Â Â related to VIEs)3,516Â 3,313Â Employee receivables255Â 328Â Inventories (includes $40 at SeptemberÂ 28, 2024 and $47 at SeptemberÂ 30, 2023 related toÂ Â Â Â VIEs)2,289Â 3,093Â Prepaid and refundable income taxes (includes $0 at SeptemberÂ 28, 2024 and $204Â Â Â Â SeptemberÂ 30, 2023 related to VIEs)294Â 212Â Prepaid expenses and other current assets (includes $29 at SeptemberÂ 28, 2024 and $31 atÂ Â Â Â SeptemberÂ 30, 2023 related to VIEs)1,598Â 1,569Â Total current assets18,225Â 21,930Â FIXED ASSETS - Net (includes $0 at SeptemberÂ 28, 2024 and $216 at SeptemberÂ 30, 2023 related to VIEs)31,569Â 34,314Â OPERATING LEASE RIGHT-OF-USE ASSETS - Net (includes $0 atÂ Â Â Â SeptemberÂ 28, 2024 and $1,796 at SeptemberÂ 30, 2023 related to VIEs)84,977Â 96,459Â GOODWILL3,440Â 7,440Â TRADEMARKS4,220Â 4,220Â INTANGIBLE ASSETS - Net98Â 187Â DEFERRED INCOME TAXES4,799Â 3,738Â INVESTMENT IN AND RECEIVABLE FROM NEW MEADOWLANDS RACETRACK6,550Â 6,507Â OTHER ASSETS (includes $11 at SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023 related to VIEs)2,163Â 2,161Â TOTAL ASSETS$156,041Â $176,956Â LIABILITIES AND EQUITYCURRENT LIABILITIES:Accounts payable - trade (includes $86 at SeptemberÂ 28, 2024 and $93 atSeptemberÂ 30, 2023 related to VIEs)$4,547Â $4,058Â Accrued expenses and other current liabilities (includes $794 at SeptemberÂ 28, 2024 andÂ Â Â Â $331 at SeptemberÂ 30, 2023 related to VIEs)12,045Â 13,829Â Current portion of operating lease liabilities (includes $0 at SeptemberÂ 28, 2024 and $298Â Â Â Â at SeptemberÂ 30, 2023 related to VIEs)7,099Â 7,988Â Current portion of notes payable5,193Â 1,987Â Total current liabilities28,884Â 27,862Â OPERATING LEASE LIABILITIES, LESS CURRENT PORTION (includes $0 at Â Â Â Â SeptemberÂ 28, 2024 and $1,623 at SeptemberÂ 30, 2023 related to VIEs)83,516Â 92,232Â NOTES PAYABLE, LESS CURRENT PORTION, net of deferred financing costsâ€"Â 5,140Â TOTAL LIABILITIES112,400Â 125,234Â COMMITMENTS AND CONTINGENCIESEQUITY:Common stock, par value $0.01 per share - authorized, 10,000 shares; issued andÂ Â Â Â outstanding, 3,604 shares at SeptemberÂ 28, 2024 and SeptemberÂ 30, 202336Â 36Â Additional paid-in capital13,934Â 14,161Â Retained earnings30,167Â 36,091Â Total Ark Restaurants Corp. shareholdersâ€™ equity44,137Â 50,288Â NON-CONTROLLING INTERESTS(496)1,434Â TOTAL EQUITY43,641Â 51,722Â TOTAL LIABILITIES AND EQUITY$156,041Â $176,956Â See notes to consolidated financial statements.F-3ARK RESTAURANTS CORP. AND SUBSIDIARIESCONSOLIDATED STATEMENTS OF OPERATIONS(In Thousands, Except Per Share Amounts)Year EndedSeptember 28,2024September 30,2023REVENUES:Food and beverage sales$179,110Â $180,820Â Other revenue4,435Â 3,973Â Total revenues183,545Â 184,793Â COSTS AND EXPENSES:Food and beverage cost of sales49,519Â 49,624Â Payroll expenses65,844Â 66,322Â Occupancy expenses24,622Â 23,472Â Other operating costs and expenses24,125Â 23,498Â General and administrative expenses12,263Â 12,407Â Depreciation and amortization4,090Â 4,310Â Loss on closure of El Rio Grande876Â â€"Â Impairment losses on right-of-use and long-lived assets2,500Â â€"Â Goodwill impairment4,000Â 10,000Â Total costs and expenses187,839Â 189,633Â OPERATING LOSS(4,294)(4,840)OTHER (INCOME) EXPENSE:Interest expense621Â 1,239Â Interest income(44)(333)Other income(26)(52)Gain on forgiveness of PPP Loans(285)(272)Total other (income) expense, net266Â 582Â LOSS BEFORE BENEFIT FOR INCOME TAXES(4,560)(5,422)Benefit for income taxes(815)(64)CONSOLIDATED NET LOSS(3,745)(5,358)Net income attributable to non-controlling interests(151)(570)NET LOSS ATTRIBUTABLE TO ARK RESTAURANTS CORP.$(3,896)$(5,928)NET LOSS PER ARK RESTAURANTS CORP. COMMON SHARE:Basic$(1.08)$(1.65)Diluted$(1.08)$(1.65)WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:Basic3,604Â 3,601Â Diluted3,604Â 3,601Â See notes to consolidated financial statements.F-4ARK RESTAURANTS CORP. AND SUBSIDIARIESCONSOLIDATED STATEMENTS OF CHANGES IN EQUITYFOR THE YEARS ENDED SEPTEMBER 28, 2024 AND SEPTEMBER 30, 2023 (In Thousands, Except Per Share Amounts)Common StockAdditionalPaid-InCapitalRetainedEarningsTotal ArkRestaurantsCorp.Shareholdersâ€™EquityNon-controllingInterestsTotalEquitySharesAmountBALANCE - October 1, 20223,600Â $36Â $15,493Â $44,271Â $59,800Â $318Â $60,118Â Net income (loss)â€"Â â€"Â â€"Â (5,928)(5,928)570Â (5,358)Elimination of non-controllingÂ Â Â Â interest upon dissolution ofÂ Â Â Â subsidiaryâ€"Â â€"Â (1,685)â€"Â (1,685)1,685Â â€"Â Exercise of stock options4Â â€"Â 39Â â€"Â 39Â â€"Â 39Â Stock-based compensation activityâ€"Â â€"Â 314Â â€"Â 314Â â€"Â 314Â Distributions to non-controllingÂ Â Â Â interestsâ€"Â â€"Â â€"Â â€"Â â€"Â (1,139)(1,139)Dividends paid - $0.625 per shareâ€"Â â€"Â â€"Â (2,252)(2,252)â€"Â (2,252)BALANCE - September 30, 20233,604Â 36Â 14,161Â 36,091Â 50,288Â 1,434Â 51,722Â Net income (loss)â€"Â â€"Â â€"Â (3,896)(3,896)151Â (3,745)Elimination of non-controllingÂ Â Â Â interest upon dissolution ofÂ Â Â Â subsidiaryâ€"Â â€"Â 692Â â€"Â 692Â (692)â€"Â Stock-based compensation activityâ€"Â â€"Â (919)â€"Â (919)â€"Â (919)Distributions to non-controllingÂ Â Â Â interestsâ€"Â â€"Â â€"Â â€"Â â€"Â (1,389)(1,389)Dividends paid - $0.5625 per shareâ€"Â â€"Â â€"Â (2,028)(2,028)â€"Â (2,028)BALANCE - September 28, 20243,604Â $36Â $13,934Â $30,167Â $44,137Â $(496)$43,641Â See notes to consolidated financial statements.F-5ARK RESTAURANTS CORP. AND SUBSIDIARIESCONSOLIDATED STATEMENTS OF CASH FLOWS(In Thousands)Year EndedSeptember 28,2024September 30,2023CASH FLOWS FROM OPERATING ACTIVITIES:Consolidated net loss$(3,745)$(5,358)Adjustments to reconcile consolidated net loss to net cash provided by operating activities:Stock-based compensation activity(919)314Â Gain on forgiveness of PPP Loansâ€"Â (272)Deferred income taxes(1,061)(620)Accrued interest on note receivable from NMR(43)(42)Loss on closure of El Rio Grande876Â â€"Â Impairment losses on right-of-use and long-lived assets2,500Â â€"Â Goodwill impairment4,000Â 10,000Â Depreciation and amortization4,090Â 4,310Â Amortization of operating lease assets440Â 507Â Amortization of deferred financing costs53Â 63Â Changes in operating assets and liabilities:Accounts receivable(203)(128)Inventories804Â 614Â Prepaid, refundable and accrued income taxes(91)1,566Â Prepaid expenses and other current assets(29)(46)Other assets(2)363Â Accounts payable - trade489Â (408)Accrued expenses and other current liabilities(2,505)(2,477)Net cash provided by operating activities4,654Â 8,386Â CASH FLOWS FROM INVESTING ACTIVITIES:Purchases of fixed assets(2,465)(3,857)Loans and advances made to employees(46)(71)Payments received on employee receivables119Â 183Â Proceeds from maturity of Certificate of Depositâ€"Â 5,021Â Net cash provided by (used in) investing activities(2,392)1,276Â CASH FLOWS FROM FINANCING ACTIVITIES:Principal payments on notes payable(1,987)(15,803)Principal payments on PPP Loansâ€"Â (531)Dividends paid(2,028)(2,252)Proceeds from issuance of stock upon exercise of stock optionsâ€"Â 39Â Distributions to non-controlling interests(1,389)(1,139)Net cash used in financing activities(5,404)(19,686)NET DECREASE IN CASH AND CASH EQUIVALENTS(3,142)(10,024)CASH AND CASH EQUIVALENTS, Beginning of year13,415Â 23,439Â CASH AND CASH EQUIVALENTS, End of year$10,273Â $13,415Â SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:Cash paid during the year for:Interest$439Â $1,291Â Income taxes$170Â $345Â Non-cash financing activities:Elimination of non-controlling interest upon dissolution of subsidiary$692Â $1,685Â See notes to consolidated financial statements.F-6ARK RESTAURANTS CORP. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS1.BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESAs of SeptemberÂ 28, 2024, Ark Restaurants Corp. and Subsidiaries (the â€œCompanyâ€) owned and operated 17 restaurants and bars, 16 fast food concepts and catering operations, exclusively in the United States, that have similar economic characteristics, nature of products and service, class of customers and distribution methods. The Company believes it meets the criteria for aggregating its operating segments into a single reporting segment in accordance with applicable accounting guidance.The Company operates four restaurants in New York City, one in Washington, D.C., five in Las Vegas, Nevada, one in Atlantic City, New Jersey, four in Florida and two on the gulf coast of Alabama. The Las Vegas operations include four restaurants within the New York-New York Hotel and Casino Resort and operation of the hotelâ€™s room service, banquet facilities, employee dining room and six food court concepts and one restaurant within the Planet Hollywood Resort and Casino. In Atlantic City, New Jersey, the Company operates a restaurant in the Tropicana Hotel and Casino. The Florida operations include The Rustic Inn in Dania Beach, Shuckers in Jensen Beach, JB's on the Beach in Deerfield Beach, The Blue Moon Fish Company in Fort Lauderdale and the operation of four fast food facilities in Tampa and six fast food facilities in Hollywood, each at a Hard Rock Hotel and Casino. In Alabama, the Company operates two Original Oyster Houses, one in Gulf Shores and one in Spanish Fort.Inflation â€" Beginning in 2021, our operating results were impacted by geopolitical and other macroeconomic events, causing supply chain challenges and significantly increased commodity and wage inflation. While we have seen improvements in many of these areas, some of these factors continued to impact our operating results in fiscal 2024. The ongoing impact of these events could lead to further shifts in consumer behavior, wage inflation, staffing challenges, product and services cost inflation, disruptions in our supply chain and delays in opening and acquiring new restaurants. If these factors significantly impact our cash flow in the future, we may again implement mitigation actions such as continued suspension of dividends, increasing borrowings or modifying our operating strategies. Some of these measures may have an adverse impact on our business, including possible impairments of assets.Basis of Presentation â€" The accompanying consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (â€œSECâ€) and accounting principles generally accepted in the United States of America (â€œGAAPâ€). The Companyâ€™s reporting currency is the United States dollar.Accounting Period â€" The Company's fiscal year ends on the Saturday nearest September 30. The fiscal years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023 both included 52 weeks.Use of Estimates â€" The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates are used for, but are not limited to: (i) projected cash flows related to asset impairments, including goodwill and intangibles, (ii) income tax valuation allowances for deferred tax assets, (iii) allowances for potential credit losses on receivables, (iv) assumptions regarding discount rates related to lease accounting, (v) the useful lives and recoverability of our long-lived assets, such as fixed assets and intangibles, (vi) fair values of financial instruments, (vii) share-based compensation, (viii) estimates made in connection with acquisition purchase price allocations, (ix) uncertain tax positions, and (x) determining when investment impairments are other-than-temporary. The Companyâ€™s accounting estimates require the use of judgment as future events and the effect of these events cannot be predicted with certainty. The accounting estimates may change as new events occur, as more experience is acquired and as more information is obtained. The Company evaluates and updates assumptions and estimates on an ongoing basis and may use outside experts to assist in the Companyâ€™s evaluation, as considered necessary. Actual results could differ from those estimates. Principles of Consolidation â€" The consolidated financial statements include the accounts of Ark Restaurants Corp. and all of its wholly-owned subsidiaries, partnerships and other entities in which it has a controlling financial interest. Also included in the consolidated financial statements are certain variable interest entities (â€œVIEsâ€). All significant intercompany balances and transactions have been eliminated in consolidation.Non-Controlling Interests â€" Non-controlling interests represent capital contributions, distributions and income and loss attributable to the shareholders of less than wholly-owned and consolidated entities.F-7Seasonality â€" The Company has substantial fixed costs that do not decline proportionally with sales. Although our business is highly seasonal, our broader geographical reach as a result of prior acquisitions mitigates some of this risk. For instance, the second quarter of our fiscal year, consisting of the non-holiday portion of the cold weather season in New York and Washington (January, February and March), is the poorest performing quarter; however, in recent years this has been partially offset by our locations in Florida as they experience increased results in the winter months. We generally achieve our best results during the warmer weather, attributable to our extensive outdoor dining availability, particularly at Bryant Park in New York and Sequoia in Washington, D.C. (our largest restaurants) and our outdoor cafes. However, even during summer months these facilities can be adversely affected by unusually cool or rainy weather conditions. Our facilities in Las Vegas are indoor and generally operate on a more consistent basis throughout the year, although in recent years the summer months have seen lower traffic. Fair Value of Financial Instruments â€" The carrying amount of cash and cash equivalents, receivables, accounts payable and approximate fair value due to the immediate or short-term maturity of these financial instruments. The fair values of notes receivable and payable are determined using current applicable rates for similar instruments as of the balance sheet date and approximate the carrying value of such debt instruments.Cash and Cash Equivalents â€" Cash and cash equivalents include cash on hand, deposits with banks, highly liquid investments and certificates of deposit with original maturities of three months or less. Outstanding checks in excess of account balances, typically vendor payments, payroll and other contractual obligations disbursed after the last day of a reporting period are reported as a current liability in the accompanying consolidated balance sheets.Concentrations of Credit Risk â€" Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company reduces credit risk by placing its cash and cash equivalents with major financial institutions with high credit ratings. At times, such amounts may exceed federally insured limits. Accounts receivable are primarily comprised of normal business receivables, such as credit card receivables, that are collected in a short period of time and amounts due from the hotel operators where the Company has a location, and are recorded upon satisfaction of the performance obligation. The Company reviews the collectability of its receivables on an ongoing basis, and has not provided for an allowance as it considers all of the counterparties will be able to meet their obligations. The concentration of credit risk with respect to accounts receivable is generally limited due to the short payment terms extended by the Company and the number of customers comprising the Companyâ€™s customer base.As of SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, the Company had accounts receivable balances due from one hotel operator totaling 52% of total accounts receivable. For the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, the Company made purchases from two vendors that accounted for 22% of total purchases.As of SeptemberÂ 28, 2024, all debt outstanding, other than the note payable to the sellers of The Blue Moon Fish Company, is with one lender (see Note 10 â€" Notes Payable).Inventories â€" Inventories are stated at the lower of cost (first-in, first-out) or net realizable value, and consist of food and beverages, merchandise for sale and other supplies.Fixed Assets â€" Fixed assets are stated at cost less accumulated depreciation and amortization. Depreciation is determined using the straight-line method over the estimated useful lives of the assets. Estimated lives range from three to seven years for furniture, fixtures and equipment and up to 40 years for buildings and related improvements. Amortization of improvements to leased properties is computed using the straight-line method based upon the initial term of the applicable lease or the estimated useful life of the improvements, whichever is less, and ranges from 5 to 30 years. For leases with renewal periods at the Companyâ€™s option, if failure to exercise a renewal option imposes an economic penalty to the Company, management may determine at the inception of the lease that renewal is reasonably assured and include the renewal option period in the determination of appropriate estimated useful lives. Routine expenditures for repairs and maintenance are charged to expense when incurred. Major replacements and improvements are capitalized. Upon retirement or disposition of fixed assets, the cost and related accumulated depreciation are removed from the consolidated balance sheets and any resulting gain or loss is recognized in the consolidated statements of operations.The Company includes in construction in progress, improvements to restaurants that are under construction or are undergoing substantial renovations. Once the projects have been completed, the Company begins depreciating and amortizing the assets. Start-up costs incurred during the construction period of restaurants, including rental of premises, training and payroll, are expensed as incurred.F-8Long-Lived and Right-Of-Use Assets â€" Long-lived assets, such as property and plant and equipment subject to amortization, and right-of-use assets ("ROU assets") are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the evaluation of the fair value and future benefits of long-lived assets, the Company performs an analysis of the anticipated undiscounted future net cash flows of the related long-lived assets. If the carrying value of the related asset exceeds the undiscounted cash flows, the carrying value is reduced to its fair value. Various factors including estimated future sales growth and estimated profit margins are included in this analysis.The Company considers a triggering event related to long-lived assets or ROU assets in a net asset position to have occurred related to a specific restaurant if the restaurantâ€™s cash flows for the last 12 months are less than a minimum threshold or if consistent levels of undiscounted cash flows for the remaining lease period are less than the carrying value of the restaurantâ€™s assets. Additionally, the Company considers a triggering event related to ROU assets to have occurred related to a specific lease if the location has been subleased and future estimated sublease income is less than current lease payments. If the Company concludes that the carrying value of certain long-lived and ROU assets will not be recovered based on expected undiscounted future cash flows, an impairment loss is recorded to reduce the long-lived or ROU assets to their estimated fair value. The fair value is measured on a nonrecurring basis using unobservable (Level 3) inputs. There is uncertainty in the projected undiscounted future cash flows used in the Company's impairment review analysis, which requires the use of estimates and assumptions. If actual performance does not achieve the projections, or if the assumptions used change in the future, the Company may be required to recognize impairment charges in future periods, and such charges could be material. (see Note 6 -

Fixed Assets).Intangible Assets â€" Intangible assets consist principally of purchased leasehold rights, operating rights and covenants not to compete. Costs associated with acquiring leases and subleases, principally purchased leasehold rights, and operating rights have been capitalized and are being amortized on the straight-line method based upon the initial terms of the applicable lease agreements. Covenants not to compete arising from restaurant acquisitions are amortized over the contractual period, typically five years.Goodwill and Trademarks â€" Goodwill and trademarks are not amortized, but are subject to impairment analysis. We assess the potential impairment of goodwill and trademarks annually (at the end of our fourth quarter) and on an interim basis whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If we determine through the impairment review process that goodwill or trademarks are impaired, we record an impairment charge in our consolidated statements of operations. With respect to goodwill, the Company assesses qualitative factors to determine whether it is necessary to perform a more detailed quantitative impairment test. The Company may elect to bypass the qualitative assessment and proceed directly to the quantitative test. When performing the quantitative test, an impairment loss is recognized if the carrying value of our equity, including goodwill, exceeds its fair value. (see Note 7 - Goodwill, Trademarks and Intangible Assets)Our impairment analysis for trademarks consists of a comparison of the fair value to the carrying value of the assets. This comparison is made based on a review of historical, current and forecasted sales and profit levels, as well as a review of any factors that may indicate potential impairment. For the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, our impairment analysis did not result in any other charges related to trademarks.Investments â€" Each reporting period, the Company reviews its investments in equity and debt securities, except for those classified as trading, to determine whether a significant event or change in circumstances has occurred that may have an adverse effect on the fair value of such investment. When such events or changes occur, the Company evaluates the fair value compared to cost basis in the investment. For investments in non-publicly traded companies, managementâ€™s assessment of fair value is based on valuation methodologies including discounted cash flows, estimates of sales proceeds, and appraisals, as appropriate. The Company considers the assumptions that it believes hypothetical marketplace participants would use in evaluating estimated future cash flows when employing the discounted cash flow or estimates of sales proceeds valuation methodologies.In the event the fair value of an investment declines below the Companyâ€™s cost basis, management is required to determine if the decline in fair value is other than temporary. If management determines the decline is other than temporary, an impairment charge is recorded. Managementâ€™s assessment as to the nature of a decline in fair value is based on, among other things, the length of time and the extent to which the market value has been less than the cost basis; the financial condition and near-term prospects of the issuer; and the Companyâ€™s intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in market value.F-9Leases â€" We determine if an arrangement contains a lease at inception. An arrangement contains a lease if it implicitly or explicitly identifies an asset to be used and conveys the right to control the use of the identified asset in exchange for consideration.Â As a lessee, we include operating leases in Operating lease right-of-use assets and Operating lease liabilities in our consolidated balance sheet. Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized upon commencement of the lease based on the present value of the lease payments over the lease term.Â As most of our leases do not provide an implicit interest rate, we use our incremental borrowing rate based on the information available at commencement date to determine the present value of lease payments. Our lease terms may include options to extend or terminate the lease.Â  Options are included when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.Â Amendments or modifications to lease terms are accounted for as variable lease payments. Leases with a lease term of 12 months or less are accounted for using the practical expedient which allows for straight-line rent expense over the remaining term of the lease.Â Revenue Recognition â€" The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a restaurant guest or other customer. Revenues from restaurant operations are presented net of discounts, coupons, employee meals and complimentary meals and recognized when food, beverage and retail products are sold. Sales tax collected from customers is excluded from sales and the obligation is included in sales tax payable until the taxes are remitted to the appropriate taxing authorities. Catering service revenue is generated through contracts with customers whereby the customer agrees to pay a contract rate for the service. Revenues from catered events are recognized in income upon satisfaction of the performance obligation (the date the event is held). All customer payments, including nonrefundable upfront deposits, are deferred as a liability until such time. The Company recognized $16,147,000 and $14,775,000 in catering services revenue for the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, respectively. Unearned revenue which is included in accrued expenses and other current liabilities on the consolidated balance sheets as of SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023 was $4,382,000 and $5,962,000, respectively.Revenues from gift cards are deferred and recognized upon redemption. Deferrals are not reduced for potential non-use as we generally have a legal obligation to remit the value of unredeemed gift cards to the relevant jurisdictions in which they are sold. As of SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, the total liability for gift cards in the amounts of approximately $401,000 and $340,000, respectively, are included in accrued expenses and other current liabilities in the consolidated balance sheets.Other revenues include purchase service fees which represent commissions earned by a subsidiary of the Company for providing services to other restaurant groups, as well as license fees, property management fees and other rentals.Occupancy Expenses â€" Occupancy expenses include rent, rent taxes, real estate taxes, insurance and utility costs.Defined Contribution Plan â€" The Company offers a defined contribution savings plan (the â€œPlanâ€) to all of its full-time employees. Eligible employees may contribute pre-tax amounts to the Plan subject to the Internal Revenue Code limitations. Company contributions to the Plan are at the discretion of the Board of Directors. During the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, the Company did not make any contributions to the Plan.Income Taxes â€" Income taxes are accounted for under the asset and liability method whereby deferred tax assets and liabilities are recognized for future tax consequences attributable to the temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.The Company may recognize tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. The Company re-evaluates uncertain tax positions and considers factors, including, but not limited to, changes in tax law, the measurement of tax positions taken or expected to be taken on tax returns, and changes in circumstances related to a tax position. Non-controlling interests relating to the income or loss of consolidated partnerships includes no provision for income taxes as any tax liability related thereto is the responsibility of the individual minority investors.F-10Income Per Share of Common Stock â€" Basic net income per share is calculated on the basis of the weighted average number of common shares outstanding during each period. Diluted net income per share reflects the additional dilutive effect of potentially dilutive shares (principally those arising from the assumed exercise of stock options). The dilutive effect of stock options is reflected in diluted earnings per share by application of the treasury stock method. Under the treasury stock method, if the average market price of a share of common stock increases above the optionâ€™s exercise price, the proceeds that would be assumed to be realized from the exercise of the option would be used to acquire outstanding shares of common stock. The dilutive effect of awards is directly correlated with the fair value of the shares of common stock.Stock-Based Compensation â€" Stock-based compensation represents the cost related to stock-based awards granted to employees and non-employee directors. The Company measures stock-based compensation at the grant date based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) as compensation expense on a straight-line basis over the requisite service period. Upon exercise of options, all excess tax benefits and tax deficiencies resulting from the difference between the deduction for tax purposes and the stock-based compensation cost recognized for financial reporting purposes are included as a component of income tax expense.Recently Adopted Accounting Principles â€" On October 1, 2023, the Company adopted Accounting Standards Update (â€œASUâ€) No. 2016-13, Measurement of Credit Losses on Financial Instruments, issued by the Financial Accounting Standards Board (â€œFASBâ€) and its related amendments using the prospective method. The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including credit card receivables and receivables from hotel operators where the Company has a location, from an incurred loss model to an expected loss model and adds certain new required disclosures. Under the expected loss model, entities recognize credit losses to be incurred over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred. In accordance with this guidance, the Company evaluates certain criteria, including aging and historical write-offs, current economic conditions of specific customers and future economic conditions to determine the appropriate allowance for credit losses. The adoption of this guidance did not have a material effect on the Companyâ€™s consolidated financial statements.Recently Issued Accounting Pronouncements â€" In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (â€œASU 2023-09â€) which enhances transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid and to improve the effectiveness of income tax disclosures. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, which is for our fiscal year 2026 and interim periods beginning in the first quarter of our fiscal 2027, with early adoption permitted. The amendments may be applied prospectively or retrospectively with early adoption permitted. We are currently assessing the impact of the requirements on our consolidated financial statements and disclosures.In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The amendments in this update are intended to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for public entities for fiscal years beginning after December 15, 2023, which is for our fiscal year 2025 and interim periods beginning in the first quarter of our fiscal 2026, with early adoption permitted. The adoption of this guidance is not expected to have a material impact to our consolidated financial statements and disclosures.In November 2024, the FASB issued ASU No. 2024-03, Disaggregation of Income Statement Expenses, requiring public companies to disaggregate key expense categories such as inventory purchases, employee compensation and depreciation in their financial statements. This aims to improve investor insights into company performance. ASU 2024-03 is effective for fiscal years beginning after December 15, 2024, which is our fiscal year 2026 and interim periods beginning in the first quarter of our fiscal 2027, with early adoption permitted. The Company is currently evaluating the impact, if any, adoption will have on its consolidated financial statements and disclosures.No other new accounting pronouncements issued or effective as of September 28, 2024 have had or are expected to have a material impact on our consolidated financial statements.F-112. CONSOLIDATION OF VARIABLE INTEREST ENTITIESThe Company consolidates any variable interest entities in which it holds a variable interest and is the primary beneficiary. Generally, a variable interest entity, or VIE, is an entity with one or more of the following characteristics: (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support; (b) as a group the holders of the equity investment at risk lack (i) the ability to make decisions about an entityâ€™s activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests and substantially all of the entityâ€™s activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. The primary beneficiary of a VIE is generally the entity that has (a) the power to direct the activities of the VIE that most significantly impact the VIEâ€™s economic performance, and (b) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE.The Company has determined that it is the primary beneficiary of three VIEs and, accordingly, consolidates the financial results of these entities. Following are the required disclosures associated with the Companyâ€™s consolidated VIEs:September 28,2024September 30,2023(in thousands)Cash and cash equivalents$292Â $564Â Accounts receivable44Â 169Â Inventories40Â 47Â Prepaid and refundable income taxesâ€"Â 204Â Prepaid expenses and other current assets29Â 31Â Due from (to) Ark Restaurants Corp. and affiliates (1)(124)58Â Fixed assets - netâ€"Â 216Â Operating lease right-of-use assets - netâ€"Â 1,796Â Other assets11Â 11Â Total assets$292Â $3,096Â Accounts payable - trade$86Â $93Â Accrued expenses and other current liabilities794Â 331Â Current portion of operating lease liabilitiesâ€"Â 298Â Operating lease liabilities, less current portionâ€"Â 1,623Â Total liabilities880Â 2,345Â Equity of variable interest entities(588)751Â Total liabilities and equity$292Â $3,096Â (1)Amounts due from Ark Restaurants Corp. and affiliates are eliminated upon consolidation.The liabilities of $880,000 and $2,345,000 at SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, respectively, recognized as a result of consolidating these VIEs do not represent additional claims on the Companyâ€™s general assets and creditors of the VIEs do not have recourse to the general credit of the Company; rather, they represent claims against the specific assets of the consolidated VIEs. Conversely, the assets of $292,000 and $3,096,000 at SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, respectively, recognized as a result of consolidating these VIEs do not represent additional assets that could be used to satisfy claims against the Companyâ€™s general assets; rather, these assets can be used only to settle obligations of the three VIEs (see Note 4 - Recent Restaurant Dispositions).3. RECENT RESTAURANT EXPANSION AND OTHER DEVELOPMENTSOn April 8, 2022, the Company extended its lease for Gallagher's Steakhouse at the New York-New York Hotel and Casino in Las Vegas, NV through December 31, 2032. In connection with the extension, the Company agreed to spend a minimum of $1,500,000 to materially refresh the premises by April 30, 2023 (as extended from September 30, 2022 due to supply chain issues). Accordingly, the property was substantially closed for renovation on February 5, 2023 and reopened on April 28, 2023. The total cost of the refresh was approximately $1,900,000.On June 24, 2022, the Company extended its lease for America at the New York-New York Hotel and Casino in Las Vegas, NV through December 31, 2033. In connection with the extension, the Company has agreed to spend a minimum of $4,000,000 to materially refresh the premises by December 31, 2025 (as extended from December 31, 2024), subject to further extension as set out in the agreement. To date approximately $100,000 has been spent on this refresh.F-12On July 21, 2022, the Company extended its lease for the Village Eateries at the New York-New York Hotel and Casino in Las Vegas, NV through December 31, 2034. As part of this extension, the Broadway Burger Bar and Grill and Gonzalez y Gonzalez, were carved out of the Village Eateries footprint and the extended date for those two locations is December 31, 2033. In connection with the extension, the Company has agreed to spend a minimum of $3,500,000 to materially refresh all three of these premises by December 31, 2025 (as extended from June 30, 2023), subject to further extension as set out in the agreement. To date approximately $950,000 has been spent on this refresh.Each of the above refresh obligations are to be consistent with designs approved by the landlord which shall not be unreasonably withheld. We have and will continue to pay all rent as required by the leases without abatement during construction. Note that our substantial completion of work set forth in plans approved by the landlord shall constitute our compliance with the requirements of the completion deadlines, regardless of whether or not the amount actually expended in connection therewith is less than the minimum.On September 19, 2023, the Company extended the lease for its corporate office through December 31, 2038. The amended lease provides for rents, beginning on January 1, 2024, approximately 19% lower than the Company is currently paying. The lease also provides for, among other things, the ability for the Company to vacate the premises upon 12 months' notice. 4. RECENT RESTAURANT DISPOSITIONSDuring the year ended September 28, 2024, the Company dissolved the entity which owned Lucky 7 at the Foxwoods Resort and Casino, which was closed in July of 2022. In connection with the dissolution, the Company reclassified the remaining non-controlling interest balance to additional paid-in capital. During the year ended September 28, 2024, the Company dissolved the entity which owned Clyde Frazier's Wine and Dine, which was closed in September of 2021. In connection with the dissolution, the Company reclassified the remaining non-controlling interest balance to additional paid-in capital.The Company advised the landlord of El Rio Grande (a consolidated VIE) we would be terminating the lease and closing the property permanently on or around January 1, 2025. In connection with this notification, the Company recorded a loss of $876,000 during the year ended September 28, 2024 consisting of: (i) rent and other costs incurred in accordance with the termination provisions of the lease in the amount of $398,000, (ii) accrued severance and other costs in the amount of $94,000, (iii) an impairment charge related to long-lived assets in the amount of $269,000 and (iv) the write-off of our security deposit in the amount of $238,000, all partially offset by a gain related to the write-off of ROU assets and related lease liabilities in the net amount of $123,000.5. INVESTMENT IN AND RECEIVABLE FROM NEW MEADOWLANDS RACETRACKOn March 12, 2013, the Company made a $4,200,000 investment in the New Meadowlands Racetrack LLC (â€œNMRâ€) through its purchase of a membership interest in Meadowlands Newmark, LLC, an existing member of NMR with a then 63.7% ownership interest. On November 19, 2013, the Company invested an additional $464,000 in NMR through a purchase of an additional membership interest in Meadowlands Newmark, LLC resulting in a total ownership of 11.6% of Meadowlands Newmark, LLC, and an effective ownership interest in NMR of 7.4%, subject to dilution. In 2015, the Company invested an additional $222,000 in NMR and on February 7, 2017, the Company invested an additional $222,000 in NMR, both as a result of capital calls, bringing its total investment to $5,108,000 with no change in ownership. The Company accounts for this investment at cost, less impairment, adjusted for subsequent observable price changes in accordance with ASU No. 2016-01. There are no observable prices for this investment.During the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, the Company received distributions from NMR in the amounts of $26,000 and $52,000, respectively, which are included in other income in the consolidated statements of operations for the years then ended.The Company evaluated its investment in NMR for impairment and concluded that its fair value exceeds the carrying value. Accordingly, the Company did not record any impairment during the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023. Any future changes in the carrying value of our investment in NMR will be reflected in earnings.In addition to the Companyâ€™s ownership interest in NMR through Meadowlands Newmark, LLC, if casino gaming is approved at the Meadowlands and NMR is granted the right to conduct said gaming, neither of which can be assured, the Company shall be granted the exclusive right to operate the food and beverage concessions in the gaming facility with the exception of one restaurant.F-13In conjunction with this investment, the Company, through a 97% owned subsidiary, Ark Meadowlands LLC (â€œAM VIEâ€), also entered into a long-term agreement with NMR for the exclusive right to operate food and beverage concessions serving the new raceway facilities (the â€œRacing F&B Concessionsâ€) located in the new raceway grandstand constructed at the Meadowlands Racetrack in northern New Jersey. Under the agreement, NMR is responsible to pay for the costs and expenses incurred in the operation of the Racing F&B Concessions, and all revenues and profits thereof inure to the benefit of NMR. AM VIE receives an annual fee equal to 5% of the net profits received by NMR from the Racing F&B Concessions during each calendar year. AM VIE is a variable interest entity; however, based on qualitative consideration of the contracts with AM VIE, the operating structure of AM VIE, the Companyâ€™s role with AM VIE, and that the Company is not obligated to absorb expected losses of AM VIE, the Company has concluded that it is not the primary beneficiary and not required to consolidate the operations of AM VIE.The Companyâ€™s maximum exposure to loss as a result of its involvement with AM VIE is limited to a receivable from AM VIEâ€™s primary beneficiary (NMR, a related party). As of SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, $16,000 and $11,000 were due AM VIE by NMR.On April 25, 2014, the Company loaned $1,500,000 to Meadowlands Newmark, LLC. The note bears interest at 3%, compounded monthly and added to the principal, and is due in its entirety on June 30, 2029. The note may be prepaid, in whole or in part, at any time without penalty or premium. The principal and accrued interest related to this note in the amounts of $1,442,000 and $1,399,000, are included in Investment In and Receivable From New Meadowlands Racetrack in the consolidated balance sheets at SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, respectively.6. FIXED ASSETSFixed assets consist of the following:September 28,2024September 30,2023(in thousands)Land and building$18,393Â $18,393Â Building and leasehold improvements44,371Â 44,308Â Furniture, fixtures and equipment39,123Â 39,025Â Construction in progress1,107Â 127Â 102,994Â 101,853Â Less: accumulated depreciation and amortization71,425Â 67,539Â Fixed Assets - Net$31,569Â $34,314Â Depreciation and amortization expense related to fixed assets for the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023 was $4,001,000 and $4,225,000, respectively.Management continually evaluates unfavorable cash flows, if any, related to underperforming restaurants. Periodically it is concluded that certain properties have become impaired based on their existing and anticipated future economic outlook in their respective markets. In such instances, we may impair assets to reduce their carrying values to fair values. Estimated fair values of impaired properties are based on comparable valuations, cash flows and/or management judgment.During the year ended SeptemberÂ 28, 2024, impairment indicators were identified at our Sequoia property located in Washington, D.C. due to lower-than-expected operating results. Accordingly, the Company tested the recoverability of Sequoia's ROU and long-lived assets and concluded they were not recoverable. Based on a discounted cash flow analysis, the Company recognized impairment charges of $1,561,000 and $939,000 related to Sequoia's ROU assets and long-lived assets, respectively. No impairment charges were recognized related to long-lived assets or ROU assets during the year ended SeptemberÂ 30, 2023. Given the inherent uncertainty in projecting results of restaurants, the Company will continue to monitor the recoverability of the carrying value of the assets of Sequoia and several other restaurants on an ongoing basis. If expected performance is not realized, further impairment charges may be recognized in future periods, and such charges could be material.F-147. GOODWILL, TRADEMARKS AND INTANGIBLE ASSETSGoodwill and TrademarksGoodwill and trademarks are not amortized, but are subject to impairment analysis. We assess the potential impairment of goodwill and trademarks annually (at the end of our fourth quarter) and on an interim basis whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If we determine through the impairment review process that goodwill or trademarks are impaired, we record an impairment charge in our consolidated statements of operations. In performing its goodwill impairment test as of September 30, 2023, the Company determined that a triggering event had occurred. Due to the volatility of the Company's stock price in the fourth quarter of fiscal 2023, the upcoming expiration of the current Bryant Park Grill & Cafe and The Porch at Bryant Park leases on April 30, 2025 and the related requests for proposals from the landlord for both locations received in July 2023 and September 2023, respectively (see Note 11 - Commitments and Contingencies to the Consolidated Financial Statements), the Company determined that there were indicators of potential impairment of its goodwill as of September 30, 2023. As of September 28, 2024, there had been a lack of communication from the landlord regarding our proposals. In August 2024, the Company became aware that the landlord was in discussions with another operator. Accordingly, the Company performed qualitative and quantitative assessments for its goodwill as of September 28, 2024 and September 30, 2023. The fair value of the equity was determined using the income approach. Given the relatively low volume of shares traded as of September 28, 2024 and September 30, 2023, the Company determined the income approach provided the best approximation of fair value. In the income approach, we utilized a discounted cash flow analysis, which involved estimating the expected future after-tax cash flows generated and then discounting those cash flows to present value, reflecting the relevant risks associated with the achievement of projected cash flows, the possibility that the Bryant Park Grill & Cafe and The Porch at Bryant Park leases may not be renewed beyond their expirations on April 30, 2025, and the time value of money. This approach requires the use of significant estimates and assumptions, including forecasted revenue growth rates, forecasted cash flows from operations, and discount rates that reflect the risk inherent in the future cash flows.Based on the impairment analysis, the carrying amount of our equity exceeded its estimated fair value, which indicated an impairment of the carrying value of our goodwill at September 28, 2024 and September 30, 2023. Accordingly, during the fourth quarters of fiscal 2024 and 2023, the Company recorded goodwill impairment charges of $4,000,000 and $10,000,000, respectively, of which $4,000,000 and $8,000,000, respectively, was deductible for tax purposes and resulted in a deferred income tax benefit of $1,074,000 and $2,300,000, respectively. Such impairments have been attributed to factors such as, but not limited to, a decrease in the market price of the Company's common stock and lower than expected profitability. The changes in the carrying amount of goodwill and trademarks for the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023 are as follows:GoodwillTrademarks(in thousands)Balance as of October 1, 2022$17,440Â $4,220Â Acquired during the yearâ€”Â â€”Â Impairment charge (1)(10,000)â€”Â Balance as of September 30, 20237,440Â 4,220Â Acquired during the yearâ€”Â â€”Â Impairment charge (1)(4,000)â€”Â Balance as of September 28, 2024$3,440Â $4,220Â (1) Accumulated impairment losses as of September 28, 2024 and September 30, 2023 were $14,000,000 and $10,000,000, respectively.F-15IntangiblesIntangible assets consist of the following:Â September 28,2024September 30,2023Â (in thousands)Purchased leasehold rights (a) - fully amortized$1,995Â $1,995Â Noncompete agreements and other - 5-10 years633Â 633Â Â 2,628Â 2,628Â Less accumulated amortization2,530Â 2,441Â Intangible Assets - Net$98Â $187Â (a)Purchased leasehold rights arose from acquiring leases and subleases of various restaurants.Amortization expense related to intangible assets for the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023 was $89,000 and $85,000, respectively. Amortization expense is expected to be $85,000 for fiscal 2025 and $14,000 for fiscal 2026 and 2027.8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIESAccrued expenses and other current liabilities consist of the following:September 28,2024September 30,2023(in thousands)Sales tax payable$761Â $765Â Accrued wages and payroll related costs4,548Â 4,487Â Customer advance deposits4,382Â 5,962Â Accrued occupancy and other operating expenses2,354Â 2,615Â $12,045Â $13,829Â 9. LEASESOther than locations where we own the underlying property, we lease our restaurant locations as well as our corporate office under various non-cancelable real-estate lease agreements that expire on various dates through 2046. We evaluate whether we control the use of the asset, which is determined by assessing whether we obtain substantially all economic benefits from the use of the asset, and whether we have the right to direct the use of the asset. If these criteria are met and we have identified a lease, we account for the contract under the requirements of Accounting Standards Codification 842.Upon taking possession of a leased asset, we determine its classification as an operating or finance lease. All of our real estate leases are classified as operating leases. We do not have any finance leases as of SeptemberÂ 28, 2024 or SeptemberÂ 30, 2023. Generally, our real estate leases have initial terms ranging from 10 to 25 years and typically include renewal options. Renewal options are recognized as part of the ROU assets and lease liabilities if it is reasonably certain at the date of adoption that we would exercise the options to extend the lease. Our real estate leases typically provide for fixed minimum rent payments and/or contingent rent payments based upon sales in excess of specified thresholds. When the achievement of such sales thresholds are deemed to be probable, variable lease expense is accrued in proportion to the sales recognized during the period. For operating leases that include rent holidays and rent escalation clauses, we recognize lease expense on a straight-line basis over the lease term from the date we take possession of the leased property. We record the straight-line lease expense and any contingent rent, if applicable, in occupancy expenses in the consolidated statements of operations. Many of our real estate leases also require us to pay real estate taxes, common area maintenance costs and other occupancy costs (â€œnon-lease componentsâ€) which are included in occupancy related expenses in the consolidated statements of operations. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. As there were no explicit rates provided in our leases, we used our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.F-16The components of lease expense in the consolidated statements of operations are as follows:September 28, 2024September 30, 2023Â (in thousands)Operating lease expense - occupancy expenses (1)$13,893Â $13,672Â Occupancy lease expense - general and administrative expenses485Â 334Â Variable lease expense4,539Â 4,184Â Total lease expense$18,917Â $18,190Â ____________________(1) Includes short-term leases, which are immaterial.Supplemental cash flow information related to leases is as follows:September 28, 2024September 30, 2023Â (in thousands)Cash paid for amounts included in the measurement of lease liabilities:Â Â Operating cash flows related to operating leases$18,318Â $18,669Â Non-cash investing activities:Â Â ROU assets obtained in exchange for new operating lease liabilities$â€”Â $3,860Â The weighted average remaining lease terms and discount rate as of SeptemberÂ 28, 2024 are as follows:Weighted Average Remaining Lease TermWeighted Average Discount RateOperating leases11.5 years6.3Â %The annual maturities of our lease liabilities as of SeptemberÂ 28, 2024 are as follows:Fiscal Year EndingOperating Leases(in thousands)September 27, 202512,477Â October 3, 202611,729Â October 2, 202711,535Â September 30, 202811,622Â September 29, 202911,274Â Thereafter67,864Â Total future lease payments126,501Â Less imputed interest(35,886)Present value of lease liabilities$90,615Â F-1710. NOTES PAYABLELong-term debt consists of the following:September 28,2024September 30,2023Â (in thousands)Promissory Note - Rustic Inn purchase$2,617Â $2,902Â Promissory Note - JB's on the Beach purchase1,750Â 2,750Â Promissory Note - Sequoia renovation800Â 1,257Â Promissory Note - Blue Moon Fish Company 68Â 313Â 5,235Â 7,222Â Less: Current maturities(5,193)(1,987)Less: Unamortized deferred financing costs(42)(95)Long-term debt$â€”Â $5,140Â Credit FacilityOn March 30, 2023, the Company entered into a Second Amended and Restated Credit Agreement (the â€œCredit Agreementâ€), with its lender, Bank Hapoalim B.M. (â€œBHBMâ€). This facility, which matures on June 1, 2025, replaced our revolving credit facility which was entered into in June 1, 2018 (the "Prior Credit Agreement"). Under the terms of the Credit Agreement: (i) a promissory note under the Prior Credit Agreement in the amount of $6,666,000 was repaid, (ii) BHBM established a new revolving credit facility in the amount of $10,000,000 with a commitment termination date of May 31, 2025, (iii) the Company may use the revolving commitments of BHBM to obtain letters of credit up to a sublimit thereunder of $1,000,000, and (iv) the LIBOR rate option for all borrowings was replaced with the secured overnight financing rate for U.S. Government Securities (â€œSOFRâ€). Advances under the Credit Agreement bear interest, at the Company's election at the time of the advance, at either BHBM's prime rate of interest plus a 0.45% spread or SOFR plus a 3.65% spread. In addition, there is a 0.30% per annum fee for any unused portion of the $10,000,000 revolving facility. As of September 28, 2024, no advances were outstanding under the Credit Agreement. As of September 28, 2024, the weighted average interest on the outstanding BHBM indebtedness was approximately 8.9%. The replacement of LIBOR with SOFR as a reference rate in our debt agreements did not have a material adverse effect on our financial position or materially affect our interest expense. The Company is currently working with its lender on a new credit agreement which we expect to be completed in the second fiscal quarter of 2025; however, there can be no assurances that this agreement will be completed. The Credit Agreement also requires, among other things, that the Company meet minimum quarterly tangible net worth amounts, maintain a minimum fixed charge coverage ratio and meet minimum annual net income amounts. The Credit Agreement contains customary representations, warranties and affirmative covenants as well as customary negative covenants, subject to negotiated exceptions on liens, relating to other indebtedness, capital expenditures, liens, affiliate transactions, disposal of assets and certain changes in ownership. The Company was in compliance with all of its financial covenants under the Credit Agreement as of September 28, 2024 except for the minimum annual net income requirement. On December 11, 2024, BHBM agreed to waive applicability of this covenant (and any breach arising therefrom) as of September 28, 2024.Borrowings and all other obligations under the Credit Agreement (including amounts outstanding under the Existing Term Notes (discussed below)) are secured by all tangible and intangible personal property (including accounts receivable, inventory, equipment, general intangibles, documents, chattel paper, instruments, letter-of-credit rights, investment property, intellectual property and deposit accounts) and fixtures of the Company.On March 30, 2023, in connection with entering into the Credit Agreement, the Company amended each of the following promissory notes to replace the interest rate benchmark based on LIBOR and related LIBOR-based mechanics with an interest rate benchmark based on SOFR, with such amendments becoming effective upon the expiration of the then applicable interest period (the â€œNotes Amendment Effective Dateâ€) and with the following terms:â€¢Promissory Note â€“ Rustic Inn purchase â€“ The principal amount of $4,400,000, which is secured by a mortgage on the Rustic Inn real estate, is payable in 27 equal quarterly installments of $71,333, commencing on September 1, 2018, with a balloon payment of $2,474,000 on June 1, 2025, and commencing on the Notes Amendment Effective Date, bears interest at SOFR plus 3.65% per annum.F-18â€¢Promissory Note - JB's on the Beach purchase â€“ On May 15, 2019, the Company issued a promissory note under a prior revolving facility to BHBM for $7,000,000 which is payable inÂ 23Â equalÂ quarterlyÂ installments ofÂ $250,000, commencing onÂ September 1, 2019, with a balloon payment of $1,250,000 on June 1, 2025 and, commencing on the Notes Amendment Effective Date, bears interest at SOFR plusÂ 3.65%Â per annum.â€¢Promissory Note - Sequoia renovation â€“ Also on May 15, 2019, the Company converted $3,200,000 of prior revolving facility borrowings incurred in connection with the Sequoia renovation to a promissory note which is payable inÂ 23Â equalÂ quarterlyÂ installments ofÂ $114,286, commencing onÂ September 1, 2019, with a balloon payment of $571,429 on June 1, 2025 and, commencing on the Notes Amendment Effective Date, bears interest at SOFR plusÂ 3.65%Â per annum.Promissory Note - Blue Moon Fish CompanyOn December 1, 2020, the Company acquired a restaurant and bar named Blue Moon Fish Company located in Lauderdale-by-the-Sea, FL. In connection with the purchase the Company entered into a four-year note held by the sellers in the amount of $1,000,000 payable in monthly installments of $23,029 including interest at 5%.Paycheck Protection Program LoansPrior to fiscal 2023, the Company received loan proceeds from several banks in the aggregate amount of $15,106,000 (the â€œPPP Loansâ€) under the Paycheck Protection Program of the CARES Act, which was enacted March 27, 2020. Under the terms of the PPP Loans, some or all of the amounts thereunder, including accrued interest, were to be forgiven if they were used for Qualifying Expenses as described in and in compliance with the CARES Act. During the year ended SeptemberÂ 30, 2023, $272,000 of PPP Loans (including $6,000 of accrued interest), were forgiven. During the year ended SeptemberÂ 30, 2023, the Company made payments related to the unforgiven portion of PPP Loans in the aggregate amount of $531,000. As of September 28, 2024 and September 30, 2023, no PPP Loans were outstanding; however, the Company was denied forgiveness of one PPP Loan in fiscal 2023 in the amount of $285,000 and accordingly such amount was repaid. The Company filed an appeal concurrent with the repayment, which was granted and the amount was forgiven and refunded to the Company in November 2023. Such amount is included in other income in the consolidated statement of operations for the year ended September 28, 2024.Deferred Financing CostsDeferred financing costs incurred in the amount of $304,000 are being amortized over the life of the agreements using the effective interest rate method and included in interest expense. Amortization expense of $53,000 and $63,000 is included in interest expense for the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, respectively.11. COMMITMENTS AND CONTINGENCIESLeases â€” The Company leases several restaurants, bar facilities, and administrative headquarters through its subsidiaries under terms expiring at various dates through 2046. Most of the leases provide for the payment of base rents plus real estate taxes, insurance and other expenses and, in certain instances, for the payment of a percentage of the restaurantâ€™s sales in excess of stipulated amounts at such facility and in one instance based on profits. In connection with two of our leases, the Company obtained and delivered irrevocable letters of credit in the aggregate amount of approximately $562,000 as security deposits under such leases.The Company's agreements with the Bryant Park Corporation (the â€œLandlordâ€), (a private non-profit entity that manages Bryant Park under agreements with the New York City

Department of Parks & Recreation) for the Bryant Park Grill & Cafe and The Porch at Bryant Park expire on April 30, 2025. During July 2023 (for the Bryant Park Grill & Cafe) and September 2023 (for The Porch at Bryant Park), the Company received requests for proposals (the "RFPs") from the Landlord to which we responded on October 26, 2023. The agreements offered under the RFPs for both locations are for new 10-year agreements, with one five-year renewal option. Any operator awarded the agreements must be approved by both the New York City Department of Parks & Recreation and the New York Public Library. To date, the landlord has not announced the selection of a successful bidder; however, the landlord has made public statements of its intention to select an operator other than the Company. In response to these public statements and other information obtained by the Company, management has engaged outside advisors who have been assisting with our efforts to obtain the extensions by ensuring the RFP awards process is both fair and transparent. We intend to pursue all available options to protect our interests. Legal Proceedings â€” In the ordinary course its business, the Company is a party to various lawsuits arising from accidents at its restaurants and workersâ€™ compensation claims, which are generally handled by the Companyâ€™s insurance carriers. The F-19employment by the Company of management personnel, waiters, waitresses and kitchen staff at a number of different restaurants has resulted in the institution, from time to time, of litigation alleging violation by the Company of employment discrimination laws. Management believes, based in part on the advice of counsel, that the ultimate resolution of these matters will not have a material adverse effect on the Companyâ€™s consolidated financial position, results of operations or cash flows.12. STOCK OPTIONSPrior to fiscal 2022, the Company had options outstanding under two stock option plans: the 2010 Stock Option Plan (the â€œ2010 Planâ€) and the 2016 Stock Option Plan (the â€œ2016 Planâ€). Options granted under both plans are exercisable at prices at least equal to the fair market value of such stock on the dates the options were granted and expire ten years after the date of grant.On March 15, 2022, the shareholders of the Company approved the Ark Restaurants Corp. 2022 Stock Option Plan (the "2022 Plan"). Effective with this approval, the Company terminated the 2016 Plan along with the 63,750 authorized but unissued options under the 2016 Plan. Such termination did not affect any of the options previously issued and outstanding under the 2016 Plan, which remain outstanding in accordance with their terms. Under the 2022 Plan, 500,000 options were authorized for future grant and are exercisable at prices at least equal to the fair market value of such stock on the dates the options were granted. The options expire ten years after the date of grant.On January 18, 2024, options to purchase 107,500 shares of common stock at an exercise price of $14.80 per share were granted to officers and directors of the Company under the 2022 Stock Option Plan (the "2024 Grant"). Such options are exercisable as to 25% of the shares commencing on the first anniversary of the date of grant and as to an additional 25% on each yearly anniversary thereafter. The grant date fair value of these stock options was $4.39 per share and totaled approximately $472,000.During the year ended September 28, 2023, no options to purchase shares of common stock were issued by the Company.The Company generally issues new shares upon the exercise of employee stock options.The fair value of each of the Companyâ€™s stock options is estimated on the date of grant using a Black-Scholes option-pricing model that uses assumptions that relate to the expected volatility of the Companyâ€™s common stock, the expected dividend yield of the Companyâ€™s stock, the expected life of the options and the risk-free interest rate. The assumptions used for the 2024 Grant include a risk-free interest rate of 3.2%, volatility of 49.7%, a dividend yield of 4.2% and an expected life of 10 years. The following table summarizes stock option activity under all plans:Â 20242023Â SharesWeightedAverageExercisePriceWeightedAverageContractualTermAggregateIntrinsicValueSharesWeightedAverageExercisePriceAggregateIntrinsicValueOutstanding, beginning ofÂ Â Â Â year471,250Â $19.57Â 5.2 years544,125Â $19.63Â Options:Granted107,500Â $14.80Â â€”Â Exercisedâ€”Â (3,750)$10.65Â Canceled or expired(163,000)$20.70Â (69,125)$20.50Â Outstanding and expected toÂ Â Â Â vest, end of year415,750Â $17.89Â 6.3 years$83,000Â 471,250Â $19.57Â $413,000Â Exercisable, end of year276,875Â $19.92Â 5.4 years$41,000Â 310,125Â $20.21Â $207,000Â Shares available for futureÂ Â Â Â grant370,000Â 477,500Â Compensation cost charged to operations for the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023 for stock-based compensation programs was approximately $237,000 and $314,000, respectively, and total stock-based compensation activity for the year ended September 28, 2024 was ($919,000) which includes reversal of stock-based compensation expense relating F-20to forfeitures in the amount of $1,156,000. Compensation cost recognized is classified as a general and administrative expense in the consolidated statements of operations.As of SeptemberÂ 28, 2024, there was approximately $532,000 of unrecognized compensation cost related to unvested stock options, which is expected to be recognized over a period of 2.5 years.The following table summarizes information about stock options outstanding as of SeptemberÂ 28, 2024:Â Options OutstandingOptions ExercisableRange of Exercise PricesNumber ofSharesWeightedAverageExercisePriceWeightedAverageRemainingcontractuallife (in years)Number ofSharesWeightedAverageExercisePriceWeightedAverageRemainingcontractuallife (in years)$10.6580,250Â $10.65Â 6.240,125Â $10.65Â 6.2$14.8087,500Â $14.80Â 9.3â€”Â $14.80Â 9.3$17.8022,500Â $17.80Â 7.911,250Â $17.80Â 7.9$21.90177,500Â $21.90Â 5.4177,500Â $21.90 $22.3048,000Â $20.86Â 4.348,000Â $20.86Â 4.3415,750Â $17.89Â 6.3276,875Â $19.92Â 5.4The Company also maintains a Section 162(m) Cash Bonus Plan. Under the Section 162(m) Cash Bonus Plan, compensation paid in excess of $1,000,000 to any employee who is the chief executive officer, or one of the three highest paid executive officers on the last day of that tax year (other than the chief executive officer or the chief financial officer) is not tax deductible.13. INCOME TAXESOn December 27, 2020, the Consolidated Appropriations Act of 2021 (â€œCAAâ€) was enacted and provided clarification on the tax deductibility of expenses funded with PPP Loans as fully deductible for tax purposes. During the years ended September 28, 2024 and September 30, 2023, the Company recorded income of $285,000 and $272,000, respectively, for financial reporting purposes related to the forgiveness of its PPP Loans. The forgiveness of these amounts is not taxable.The benefit for income taxes consists of the following:Â Year EndedÂ September 28,2024September 30,2023Â (in thousands)Current provision (benefit):Federal$85Â $319Â State and local161Â 237Â Â 246Â 556Â Deferred provision (benefit):Federal(617)(237)State and local(444)(383)Â (1,061)(620)Â $(815)$(64)F-21The effective tax rate differs from the U.S. income tax rate as follows:Year EndedSeptember 28,2024September 30,2023(in thousands)Provision at federal statutory rate (21%)$(958)$(1,139)State and local income taxes, net of tax benefits231Â (241)Goodwill impairmentâ€”Â 419Â Gain on forgiveness of PPP Loans(60)(57)Tax credits(943)(961)Loss attributable to non-controlling interest(32)(120)Changes in tax rates5Â 49Â Change in valuation allowance963Â 1,866Â Other(21)120Â $(815)$(64)Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting and tax purposes. Significant components of the Companyâ€™s deferred tax assets and liabilities are as follows: Â September 28,2024September 30,2023Â (in thousands)Deferred tax assets:Â Â State net operating loss carryforwards$4,670Â $5,170Â Lease liabilities20,349Â 22,072Â Deferred compensation257Â 376Â Tax credits3,376Â 2,483Â Other392Â 511Â Deferred tax assets, before valuation allowance29,044Â 30,612Â Valuation allowance(4,236)(3,273)Deferred tax assets, net of valuation allowance24,808Â 27,339Â Deferred tax liabilities:Depreciation and amortization(19,636)(23,065)Partnership investmentsâ€”Â (188)Prepaid expenses(373)(348)Deferred tax liabilities(20,009)(23,601)Net deferred tax assets$4,799Â $3,738Â In assessing the realizability of deferred tax assets, management considers whether it is more-likely-than-not that the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. In the assessment of the valuation allowance, appropriate consideration was given to all positive and negative evidence including reversal of existing taxable temporary differences, forecasts of future earnings and the duration of statutory carryforward periods. The Company recorded a valuation allowance of $4,236,000 and $3,273,000 as of SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, respectively, attributable to certain federal tax credits and state and local net operating loss carryforwards which are not realizable on a more-likely-than-not basis. During the years ended SeptemberÂ 28, 2024 and September 30, 2023, the Companyâ€™s valuation allowance increased by approximately $963,000 and $1,866,000, respectively, primarily related to certain general business credit carryforwards that are not expected to be realized on a more-likely-than-not basis.As of SeptemberÂ 28, 2024, the Company had General Business Credit carryforwards of approximately $3,376,000 which expire through fiscal 2044. In addition, as of SeptemberÂ 28, 2024, the Company has New York State net operating loss carryforwards of approximately $27,471,000 and New York City net operating loss carryforwards of approximately $25,268,000 that expire through fiscal 2044.F-22A reconciliation of the beginning and ending amounts of unrecognized tax benefits excluding interest and penalties is as follows:September 28,2024September 30,2023Â (in thousands)Balance at beginning of year$185Â $159Â Additions based on tax positions taken in current and prior years25Â 26Â Decreases based on tax positions taken in prior yearsâ€”Â â€”Â Balance at end of year$210Â $185Â The entire amount of unrecognized tax benefits if recognized would reduce our annual effective tax rate. For the years ended SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, there are no amounts accrued for the payment of interest and penalties. The Company does not expect a significant change to its unrecognized tax benefits within the next 12 months.The Company files tax returns in the U.S. and various state and local jurisdictions with varying statutes of limitations. The 2021 through 2024 fiscal years remain subject to examination by the Internal Revenue Service and most state and local tax authorities.14. INCOME PER SHARE OF COMMON STOCKBasic earnings per share is computed by dividing net income attributable to Ark Restaurants Corp. by the weighted average number of common shares outstanding for the period. Diluted earnings per share is computed similarly to basic earnings per share, except that it reflects the effect of common shares issuable upon exercise of stock options, using the treasury stock method in periods in which they have a dilutive effect.A reconciliation of shares used in calculating earnings per basic and diluted share follows:Year EndedSeptember 28,2024September 30,2023(in thousands)Basic3,6043,601Effect of dilutive securities:Â Â Â Â Stock optionsâ€”Â â€”Â Diluted3,6043,601For the year ended SeptemberÂ 28, 2024, the dilutive effect of options to purchase 328,250 shares of common stock at exercise prices ranging from $10.65 per share to $22.30 per share were not included in diluted earnings per share as their impact would have been anti-dilutive.For the year ended SeptemberÂ 30, 2023, the dilutive effect of options to purchase 471,250 shares of common stock at exercise prices ranging from $10.65 per share to $22.50 per share were not included in diluted earnings per share as their impact would have been anti-dilutive.15. DIVIDENDSOn November 8, 2023, February 6, 2024, and May 7, 2024, the Board of Directors of the Company (the "Board") declared quarterly cash dividends of $0.1875, $0.1875, and $0.1875, respectively, per share, which were paid on December 13, 2023, March 13, 2024, and June 12, 2024, respectively, to the stockholders of record of the Company's common stock at the close of business on November 30, 2023, February 29, 2024, and May 31, 2024, respectively. The Board has not declared any dividends since May 7, 2024. Future decisions to pay dividends are at the discretion of the Board and will depend upon operating performance and other factors.16. RELATED PARTY TRANSACTIONSEmployee receivables totaled approximately $255,000 and $328,000 at SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023, respectively. Such amounts consist of loans that are payable on demand, bear interest at the minimum statutory rate (4.57% at SeptemberÂ 28, 2024 and 5.12% at SeptemberÂ 30, 2023), and are net of reserves for collectability.F-23During the year ended September 28, 2024, the Company made payments totaling $43,000 to the mother of Samuel Weinstein, the Co-Chief Operating Officer, for design services.17. SUBSEQUENT EVENTSOn November 26, 2024, the Company agreed to terminate its lease for the food court at The Hard Rock Hotel and Casino in Tampa, FL. The termination agreement is subject to the approval of the United States Department of the Interior, Bureau of Indian Affairs. In exchange for vacating the premises sometime in late December 2024, Ark Hollywood/Tampa Investment LLC, a subsidiary of the Company, (in which we own a 65% interest) will receive a termination payment in the amount of $5,500,000 and all obligations under the lease will cease. The Company expects to record a gain related to the termination payment and it is expected that Ark Hollywood/Tampa Investment LLC will distribute approximately 35% of the net proceeds, after expenses, to the other equity holders of Ark Hollywood/Tampa Investment LLC. ******F-24Exhibits Index3.1Certificate of Incorporation of the Registrant, filed with the Secretary of State of the State of New York on January 4, 1983.Â Â 3.2Certificate of Amendment of the Certificate of Incorporation of the Registrant filed with the Secretary of State of the State of New York on October 11, 1985.Â Â 3.3Certificate of Amendment of the Certificate of Incorporation of the Registrant filed with the Secretary of State of the State of New York on July 21, 1988.Â Â 3.4Certificate of Amendment of the Certificate of Incorporation of the Registrant filed with the Secretary of State of the State of New York on May 13, 1997.Â Â 3.5Certificate of Amendment of the Certificate of Incorporation of the Registrant filed on April 24, 2002 incorporated by reference to Exhibit 3.5 to the Registrantâ€™s Quarterly Report on Form 10-Q for the quarterly period ended March 30, 2002 (the â€œSecond Quarter 2002 Form 10-Qâ€).Â Â 3.6By-Laws of the Registrant, incorporated by reference to Exhibit 3.2 to the Registrantâ€™s Registration Statement on Form S-18 filed with the Securities and Exchange Commission on October 17, 1985.Â Â 4.1Description of Securities, incorporated by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2022.10.1Amended and Restated Redemption Agreement dated June 29, 1993 between the Registrant and Michael Weinstein, incorporated by reference to Exhibit 10.1 to the Registrantâ€™s Annual Report on Form 10-K for the fiscal year ended October 2, 1993 (â€œ1993 10-Kâ€).Â Â 10.2Form of Indemnification Agreement entered into between the Registrant and each of Michael Weinstein, Ernest Bogen, Vincent Pascal, Robert Towers, Jay Galin, Robert Stewart, Bruce R. Lewin, Paul Gordon and Donald D. Shack, incorporated by reference to Exhibit 10.2 to the 1994 10-K.Â Â 10.3Form of Director and Officer Indemnification Agreement, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 5, 2022.#10.4Ark Restaurants Corp. 2004 Stock Option Plan, as amended, incorporated by reference to the Registrantâ€™s Definitive Proxy Statement pursuant to Section 14(a) of the Securities Exchange Act of 1934 filed on January 26, 2004.Â Â #10.5Ark Restaurants Corp. 2010 Stock Option Plan, incorporated by reference to the Registrantâ€™s Definitive Proxy Statement pursuant to Section 14(a) of the Securities Exchange Act of 1934 filed on February 1, 2010.Â Â #10.6Ark Restaurants Corp. 2022 Stock Option Plan, incorporated by reference to Appendix A to the Company's Definitive Proxy Statement filed with the Securities and Exchange Commission on January 28, 2022.10.7Securities Purchase Agreement, by and between the Registrant and Estate of Irving Hershkowitz, incorporated by reference to Exhibit 10.01 to the Registrantâ€™s Current Report on Form 8-K filed on December 15, 2011.Â Â 10.8Promissory Note, in the principal amount of $2,125,000, issued by the Company to Estate of Irving Hershkowitz, incorporated by reference to Exhibit 10.02 to the Registrantâ€™s Current Report on Form 8-K filed on December 15, 2011.Â Â 10.9Promissory Note made by the Registrant to Bank Hapoalim B.M., issued as of February 25, 2013, incorporated by reference to Exhibit 10.1 to the Registrantâ€™s Current Report on Form 8-K filed on March 1, 2013.10.10Asset Purchase Agreement dated as of November 22, 2013 by and between W and O, Inc. and Ark Rustic Inn LLC, incorporated by reference to Exhibit 10.1 to the Registrantâ€™s Current Report on Form 8-K filed on November 26, 2013.Â Â 10.11Amended and Restated Promissory Note made by the Company to Bank Hapoalim B.M., issued as of February 24, 2014, incorporated by reference to Exhibit 10.2 to the Registrantâ€™s Current Report on Form 8-K filed on February 28, 2014.Â Â 10.12Term or Installment Loan Rider to Promissory Note to Bank Hapoalim B.M, incorporated by reference to Exhibit 10.3 to the Registrantâ€™s Current Report on Form 8-K filed on February 28, 2014.Â Â 10.13Commercial Contract Agreement and Rider to Commercial Contract Agreement both dated as of August 10, 2015 by and between Ark Shuckers Real Estate LLC and D.C. Holding Company, Inc., incorporated by reference to Exhibit 10.1 and 10.2 to the Registrantâ€™s Current Report on Form 8-K filed on October 28, 2015.Â Â 10.14Restaurant Asset Purchase Agreement dated as of August 10, 2015 by and between Ark Shuckers LLC and Ocean Enterprises, Inc. incorporated by reference to Exhibit 10.3 to the Registrantâ€™s Current Report on Form 8-K filed on October 28, 2015.Â Â 10.15Management Purchase Agreement dated as of August 10, 2015 by and between Ark Island Beach Resort LLC and Island Beach Resort, Inc. incorporated by reference to Exhibit 10.4 to the Registrantâ€™s Current Report on Form 8-K filed on October 28, 2015.Â Â 10.16Credit Agreement (Term Facility) between the Company and Bank Hapoalim B.M. issued as of October 21, 2015 incorporated by reference to Exhibit 10.5 to the Registrantâ€™s Current Report on Form 8-K filed on October 28, 2015.Â Â 10.17Term Promissory Note issued by the Company in favor of Bank Hapoalim B.M. on October 21, 2015 incorporated by reference to Exhibit 10.6 to the Registrantâ€™s Current Report on Form 8-K filed on October 28, 2015.Â Â 10.18Credit Agreement (Revolving Facility) and Form of Revolving Promissory Note between the Company and Bank Hapoalim B.M. issued as of October 21, 2015 incorporated by reference to Exhibit 10.7 and 10.8 to the Registrantâ€™s Current Report on Form 8-K filed on October 28, 2015.Â Â 10.19Asset Purchase Agreement dated as of October 21, 2016, by and between Ark Gulf Shores Real Estate, LLC, Ark Oyster House Gulf Shores I, LLC, Original Oyster House, Inc. and Premium Properties, Inc. including the Real Estate Purchase and Sale Agreement incorporated by reference to Exhibit 2.1 to the Registrantâ€™s Current Report on Form 8-K filed on November 16, 2016.Â Â 10.20Asset Purchase Agreement dated as of October 21, 2016, by and between Ark Oyster House Causeway II, LLC, Ark Causeway Real Estate, LLC, Original Oyster House II, Inc. and Gumbo Properties, L.L.C. including the Real Estate Purchase and Sale Agreement incorporated by reference to Exhibit 2.2 to the Registrantâ€™s Current Report on Form 8-K filed on November 16, 2016.Â Â 10.21ROFR Purchase and Sale Agreement dated as of October 13, 2016 by and between SCFRC-HWG, LLC and Ark Jupiter RI, LLC incorporated by reference to Exhibit 2.3 to the Registrantâ€™s Current Report on Form 8-K filed on November 16, 2016.10.22Purchase and Sale Agreement between Ark Jupiter RI, LLC and 1065 A1A, LLC, incorporated by reference to Exhibit 2.4 to the Registrantâ€™s Current Report on Form 8-K filed on November 16, 2016.10.23Second Amendment to Credit Agreement (Revolving Facility) dated as of November 30, 2016, by and between Ark Restaurant Corp. and Bank Hapoalim B.M incorporated by reference to Exhibit 10.1 to the Registrantâ€™s Current Report on Form 8-K/A filed on January 27, 2017.10.24Mortgage and Security Agreement (Alabama) dated as of November 30, 2016, by and between Ark Gulf Shores Real Estate LLC and Ark Causeway Real Estate LLC and Bank Hapoalim B.M incorporated by reference to Exhibit 10.2 to the Registrantâ€™s Current Report on Form 8-K/A filed on January 27,

2017.10.25Amended and Restated Credit Agreement (Revolving Facility) dated as of June 1, 2018, by and between Ark Restaurants Corp. and Bank Hapoalim B.M.10.26Amended and Restated
Promissory Note, dated as of June 1, 2018, by and between Ark Restaurants Corp. and Bank Hapoalim B.M. that restates and renews the Term Promissory Note, dated October 21, 2015 secured
by the assets of Ark Shuckers Real Estate LLC.10.27Amended and Restated Promissory Note, dated as of June 1, 2018, by and between Ark Restaurants Corp. and Bank Hapoalim B.M. that
restates and renews the Term Promissory Note, dated February 24, 2014 secured by the assets of Ark Rustic Inn Real Estate LLC.10.28Amended and Restated Promissory Note, dated as of June
1, 2018, by and between Ark Restaurants Corp. and Bank Hapoalim B.M. that restates and renews the Term Promissory Note, dated November 30, 2016 secured by the assets of Ark Gulf
Shores Real Estate LLC.10.29Amended and Restated Promissory Note, dated as of June 1, 2018, by and between Ark Restaurants Corp. and Bank Hapoalim B.M. that restates and renews the
Term Promissory Note, dated November 30, 2016 secured by the assets of Ark Causeway Real Estate LLC.10.30Amended and Restated Credit Agreement (Revolving Facility), dated as of May
15, 2019, by and between Ark Restaurants Corp. and Bank Hapoalim B.M.10.31Asset Purchase Agreement, dated as of February 21, 2019, by and between Ark Restaurants Corp., Beach House,
LLC and Boyle Beach House, LLC.10.32Promissory Note in the amount of $7,000,000, dated as of May 15, 2019, by and between Ark Restaurants Corp. and Bank Hapoalim
B.M.10.33Promissory Note in the amount of $3,200,000, dated as of May 15, 2019, by and between Ark Restaurants Corp. and Bank Hapoalim B.M.10.34Second Amended and Restated Credit
Agreement, dated as of March 30, 2023, by and between Ark Restaurants Corp. and Bank Hapoalim B.M., as lender, incorporated by reference to Exhibit 10.1 to the Company's Current Report
on Form 8-K filed with the SEC on April 5, 2023.10.35Second Amended and Restated Security Agreement, dated as of March 30, 2023, by and between Ark Restaurants Corp., and Bank
Hapoalim B.M., incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on April 5, 2023.14Code of Ethics, incorporated by reference to
Exhibit 14.1 to the Registrantâ€™s Annual Report on Form 10-K for the fiscal year ended September 27, 2003.*21Subsidiaries of the Registrant.Â Â *23Consent of CohnReznick
LLP.Â Â *31.1Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.Â Â *31.2Certification of Chief Financial Officer pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002.Â Â **32Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-
Oxley Act of 2002.97.10Incentive-Based Compensation Clawback Policy, incorporated by reference to Exhibit 97.1 to the Registrantâ€™s Annual Report on Form 10-K for the fiscal year ended
September 30, 2023 *101.INSXBRL Instance DocumentÂ Â *101.SCHXBRL Taxonomy Extension Schema DocumentÂ Â *101.CALXBRL Taxonomy Extension Calculation Linkbase
DocumentÂ Â *101.DEFXBRL Taxonomy Extension Definition Linkbase DocumentÂ Â *101.LABXBRL Taxonomy Extension Label Linkbase DocumentÂ Â *101.PREXBRL Taxonomy Extension
Presentation Linkbase DocumentÂ Â *104Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)*Filed
herewith.**Furnished herewith.#Indicates management contract or compensatory plan or arrangement.Item 16. Form 10-K SummaryNone.SignaturesPursuant to the requirements of Section
13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.ARK
RESTAURANTS CORP.By:/s/ Michael WeinsteinMichael WeinsteinChairman of the Board and Chief Executive Officer(Principal Executive Officer)Date: DecemberÂ 19, 2024 Pursuant to the
requirements of the Securities Exchange Act of 1934, as amended, this report has been duly signed by the following persons on behalf of the registrant and in the capacities and on the dates
indicated.SignatureTitleDate/s/ Michael WeinsteinChairman of the Board and Chief Executive Officer(Principal Executive Officer)December 19, 2024(Michael Weinstein)/s/ Anthony J.
SiricaPresident, Chief Financial Officer and Director(Principal Financial and Accounting Officer)December 19, 2024(Anthony J. Sirica)/s/ Marcia AllenDirectorDecember 19, 2024(Marcia
Allen)/s/ Steven ShulmanDirectorDecember 19, 2024(Steven Shulman)/s/ Bruce R. LewinDirectorDecember 19, 2024(Bruce R. Lewin)/s/ Jessica KatesDirectorDecember 19, 2024(Jessica
Kates)/s/ Stephen NovickDirectorDecember 19, 2024(Stephen Novick)DocumentExhibit 21Subsidiaries of the RegistrantSubsidiaryTrade name(s)Jurisdiction of IncorporationArk AC Burger Bar
LLCBroadway Burger Bar and GrillDelawareArk Atlantic City Corp.Gallagherâ€™s Burger BarDelawareArk Atlantic City Restaurant Corp.Gallagherâ€™s SteakhouseDelawareArk Blue Moon,
LLCBlue Moon Fish Co.DelawareArk Bryant Park LLCBryant Park GrillÂ & CafÃ©DelawareArk Bryant Park Southwest LLCSouthwest PorchDelawareArk Causeway Real Estate
LLCN/ADelawareArk Deerfield Beach LLCJB's on the BeachDelawareArk Fifth Avenue Corp.N/ANew YorkArk Gulf Shores Real Estate LLCN/ADelawareArk Hollywood/Tampa
Corp.N/ADelawareArk Hollywood/Tampa Investments LLCN/ADelawareArk Hollywood LLCN/ADelawareArk Island Beach Real Estate LLCN/ADelawareArk Island Beach Resort
LLCN/ADelawareArk Las Vegas Restaurant Corp.N/ANevadaArk Mad Events LLCN/ADelawareArk Meadowlands LLCN/ADelawareArk Museum LLCRobertDelawareArk Operating Corp.El Rio
GrandeNew YorkArk Oyster House Causeway II, LLCThe Original Oyster HouseDelawareArk Oyster House Gulf Shores I, LLCThe Original Oyster HouseDelawareArk Private Events
LLCN/ADelawareArk Potomac CorporationSequoiaDistrict of ColumbiaArk Rio Corp.El Rio GrandeNew YorkArk Rustic Inn LLCN/ADelawareArk Rustic Inn Real Estate LLCN/ADelawareArk
Shuckers LLCShuckersDelawareArk Shuckers Real Estate LLCN/ADelawareArk Southwest D.C. Corp.Thunder GrillDistrict of ColumbiaArk Spoto's, LLCN/ADelawareArk Tampa
LLCN/ADelawareArkMod LLCN/ANew YorkChefmod LLCN/ANew YorkLas Vegas America Corp.AmericaNevadaLas Vegas Festival Food Corp.(1) Gonzalez y Gonzalez and (2) Village Eateries
(New York-New York Hotel Food Court) (3) Broadway Burger BarNevadaLas Vegas Planet Mexico Corp.YolosNevadaLas Vegas Steakhouse Corp.Gallagher SteakhouseNevadaRio Restaurant
Associates, L.P.N/ANew YorkDocumentEXHIBIT 23Consent of Independent Registered Public Accounting FirmWe consent to the incorporation by reference in Registration Statement Nos. 333-
165369, 333-145424 and 333-227801 of Ark Restaurants Corp. on Form S-8 of our report dated DecemberÂ 19, 2024 with respect to the consolidated financial statements of Ark Restaurants
Corp. and Subsidiaries as of SeptemberÂ 28, 2024 and SeptemberÂ 30, 2023 and for each of the years in the two-year period ended SeptemberÂ 28, 2024 appearing in this Annual Report on
Form 10-K of Ark Restaurants Corp. for the year ended SeptemberÂ 28, 2024./s/ CohnReznick LLP Melville, New York DecemberÂ 19, 2024DocumentEXHIBIT 31.1CERTIFICATION PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002I, Michael Weinstein, certify that:1.I have reviewed this annual report on Form 10-K of Ark Restaurants Corp.2.Based on my
knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under
which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included
in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The
registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and
internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:a)Designed such disclosure controls and procedures, or caused
such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made
known to us by others within those entities, particularly during the period in which this report is being prepared;b)Designed such internal control over financial reporting, or caused such
internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial
statements for external purposes in accordance with generally accepted accounting principles;c)Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and
presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
andd)Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s
fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting;
and5.The registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s accountants and
the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions):a)All significant deficiencies and material weaknesses in the design or operation of
internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; andb)Any
fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.Dated: DecemberÂ 19,
2024 /s/MICHAEL WEINSTEINMichael WeinsteinChief Executive Officer(Principal Executive Officer)DocumentEXHIBIT 31.2CERTIFICATION PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002I, Anthony J. Sirica, certify that:1.I have reviewed this annual report on Form 10-K of Ark Restaurants Corp.2.Based on my knowledge, this report does not
contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made,
not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all
material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrantâ€™s other certifying officer
and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial
reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:a)Designed such disclosure controls and procedures, or caused such disclosure controls and
procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within
those entities, particularly during the period in which this report is being prepared;b)Designed such internal control over financial reporting, or caused such internal control over financial
reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in
accordance with generally accepted accounting principles;c)Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions
about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd)Disclosed in this report any change in the
registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual
report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and5.The registrantâ€™s other certifying officer and
I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s accountants and the audit committee of the registrantâ€™s board of
directors (or persons performing the equivalent functions):a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are
reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; andb)Any fraud, whether or not material, that involves
management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.Dated: DecemberÂ 19, 2024 /s/Anthony J. SiricaÂ Â Â Anthony J.
SiricaÂ Chief Financial OfficerÂ (Principal Financial Officer)DocumentExhibit 32Â Â Â Â CERTIFICATION PURSUANT TO18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TOSECTION 906
OF THE SARBANES-OXLEY ACT OF 2002The following statement is being made to the Securities and Exchange Commission solely for purposes of SectionÂ 906 of the Sarbanes-Oxley Act of
2002 (18 U.S.C. 1350), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.In accordance with the requirements of SectionÂ 906 of the
Sarbanes-Oxley Act of 2002 (18 USC 1350), each of the undersigned hereby certifies that:(i)this report on Form 10-K for the year ended SeptemberÂ 28, 2024 fully complies with the
requirements of sectionÂ 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and(ii)the information contained in this report fairly presents, in all material respects,
the financial condition and results of operations of Ark Restaurants Corp.Dated as of this 19thÂ day of December 2024/s/ Michael Weinstein/s/ Anthony J. SiricaMichael WeinsteinAnthony J.
SiricaChief Executive OfficerChief Financial Officer(Principal Executive Officer)(Principal Financial Officer)A signed original of this written statement required by Section 906 of the Sarbanes-
Oxley act of 2002 has been provided to Ark Restaurants Corp. and will be retained by Ark Restaurants Corp. and furnished to the Securities and Exchange Commission or its staff upon request.