ENTERTAINMENT PROPERTIES TRUST
Form 8-K/A
January 12, 2004

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
October 27, 2003

ENTERTAINMENT PROPERTIES TRUST
(Exact Name of Registrant as Specified in its Charter)

MARYLAND	1-13561	43-1790877
(State or other jurisdiction of incorporation)	(Commission file number)	(IRS Employer Identification Number)

30 West Pershing Road, Suite 201, Kansas City, Missouri 64108
(Address of Principal Executive Office) (Zip Code)

(816) 472-1700
Registrant's telephone number, including area code

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This amendment to our current report on Form 8-K amends our current report dated October 27, 2003 and filed with the Securities and Exchange Commission on November 12, 2003.

Item 2. ACQUISITION OR DISPOSITION OF ASSETS

Acquisition of Joint Venture Interest in New Roc Associates, L.P.

On November 12, 2003, we filed a current report on Form 8-K reporting our acquisition of the general partnership interest and Class A limited partnership interest in New Roc Associates, L.P., a New York limited partnership (the "Partnership"), which owns an approximately 450,000 square foot multi-tenant entertainment retail center in New Rochelle, New York called New Roc City (the "Property").

This amendment to that report is being filed solely to include the financial statements and pro forma financial information contained in Item 7 below.

We are not aware of any material factors relating to the Property other than those discussed in our current report filed on November 12, 2003 that would cause the historical financial information presented in Item 7 to be not necessarily indicative of future results. Please note that, for purposes of reconciling the information contained in Note 2 to the statements of revenues and certain expenses for the year ended December 31, 2002 and nine months ended September 30, 2003 (unaudited) included in Item 7(a) with the information in our current report on Form 8-K filed on November 12, 2003 and incorporated by reference herein, the information contained in Note 2 is based upon total rentals paid by tenants at the Property, whereas the information contained in Item 2, paragraph 17 of our Form 8-K filed November 12, 2003 is based upon base rentals paid by the tenants identified in that paragraph.

Item 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(a) Financial Statements of Property Acquired

INDEPENDENT AUDITORS' REPORT

Board of Directors
New Roc Associates, LP
Valhalla, NY

We have audited the accompanying statement of revenues and certain expenses of New Roc Associates, LP (the "Partnership") for the year ended December 31, 2002. The statement of revenue and certain expenses is the responsibility of the Partnership's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the current report on form 8-K of Entertainment Properties Trust) as described in Note 1 and is not intended to be a complete presentation of the New Roc Associates, LP revenues and expenses.

In our opinion, the statement of revenues and certain expenses referred to above present fairly, in all material respects, the gross revenues and certain expenses described in Note 1 of New Roc Associates, LP for the year ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

/s/ BDO Seidman LLP
BDO SEIDMAN LLP
New York, New York

December 12, 2003

NEW ROC ASSOCIATES, LP

STATEMENTS OF REVENUES AND CERTAIN EXPENSES

	Year ended December 31, 2002	Nine months ended September 30, 2003 (unaudited)
REVENUES (NOTES 2 AND 3):		
Base rental	$ 8,844,023	6,647,735
Operating cost reimbursements	2,084,486	1,197,792
Percentage rent	452,551	573,656
TOTAL REVENUES	11,381,060	8,419,183
OPERATING EXPENSES:		
Bad debts (NOTE 3)	1,162,502	216,740
Real estate taxes	683,406	491,240
Repairs and maintenance	603,823	490,695
Security	598,471	468,851
Utilities	60,233	72,435
Insurance	405,598	303,000
Marketing	324,579	110,329
Other selling, general and administrative	444,263	197,222
TOTAL OPERATING EXPENSES	4,282,875	2,350,512
INCOME BEFORE INTEREST EXPENSE	7,098,185	6,068,671
INTEREST EXPENSE (NOTE 4)	3,342,610	2,263,825
EXCESS OF REVENUES OVER CERTAIN EXPENSES	$ 3,755,575	$3,804,846

SEE ACCOMPANYING NOTES TO STATEMENTS OF REVENUES AND CERTAIN EXPENSES

NOTES TO STATEMENTS OF REVENUES AND CERTAIN EXPENSES

ORGANIZATION AND FORMATION

New Roc Associates, LP (the "Partnership") is a New York limited partnership that was formed in October 1994 to acquire, own, develop and maintain a 450,000 square foot entertainment center located in New Rochelle, New York (the "Project"). Construction commenced on the Project in December 1997 and the center officially opened for business on June 1, 1999.

On October 27, 2003 LC New Roc, Inc., the general partner ("General Partner"), and the limited partners of the Partnership entered into a transaction to sell a portion of their partnership interests, constituting control of the Partnership, to entities owned by Entertainment Properties Trust ("EPR"), a publicly-held real estate investment trust.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Partnership's statements of revenues and certain expenses have been prepared in accordance with the requirements of Securities and Exchange Commission Regulation S-X, Rule 3-14. Accordingly, related party interest, depreciation of fixed assets and amortization of financing and tenant acquisition costs have not been recorded since these items are not deemed to be comparable with the future operations of the Project.

The statement for the nine months ended September 30, 2003 is unaudited and reflects all adjustments (consisting only of normal recurring adjustments), which are, in the opinion of management, necessary for a fair presentation of the operating results for the interim period presented. The results of operations for the nine months ended September 30, 2003 are not necessarily indicative of the results for the entire fiscal year ending December 31, 2003

USE OF ESTIMATES

The preparation of a statement of revenues and certain expenses in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

REVENUE RECOGNITION

Rental income is recognized on a straight-line basis over the terms of the tenants' lease agreements. Percentage rent is recognized in the period when the sales breakpoints are reached. The majority of leases provide for reimbursement to the Partnership of the tenant's share of operating expenses, insurance and real estate taxes which are recorded on the accrual basis.

2. RENTAL

REVENUES

The Partnership leases space to various national and local companies. As of December 31, 2002, 15 tenants lease approximately 96% of the gross leasable square footage of the Project, including three tenants occupying approximately 52% of space, which accounted for approximately 62% of total revenues in 2002.

The leases include scheduled base rent increases over their respective terms. Rental income includes $633,113 and $582,746 for the year ended December 31, 2002 and the nine months ended September 30, 2003, respectively, representing the excess of base rental income on a straight-line basis over amounts currently due pursuant to the lease agreements.

Future minimum rentals under the noncancellable terms of tenants' operating leases excluding tenant reimbursements of operating expenses and contingent rentals based on tenants' sales volume, as of December 31, 2002 for each of the next five years are as follows:

	THIRD PARTY	AFFILIATES(a)	TOTAL
2003	$ 6,165,340	$ 2,119,520	$ 8,284,860
2004	6,326,416	2,119,520	8,445,936
2005	6,556,352	2,131,520	8,687,872
2006	6,560,929	2,191,520	8,752,449
2007	6,595,291	2,196,789	8,792,080
THEREAFTER	70,788,001	6,985,311	77,773,312
	$ 102,992,329	$17,744,180	$120,736,509

(a) See Note 3b

3. RELATED PARTY TRANSACTIONS

The Partnership has entered into a number of transactions and agreements with various affiliated entities. A summary of each follows:

(a) PROPERTY MANAGEMENT - Property management services are provided by New Roc Management, LLC, which is owned by the General Partner. New Roc Management, LLC provides all tenant services and administrative services for which it receives a fee equal to 3% of gross revenues.

(b) The Partnership leased 166,000 square feet in 2002 and 201,000 square feet in 2003 to affiliated companies. Lease revenues from these tenants for the year ended December 31, 2002 and the nine months ended September 30, 2003 were $2,043,023 and $1,686,273, respectively. In addition, bad debt expense for 2002 includes approximately $860,000 from affiliated entities that are no longer in business.

4. MORTGAGES

MORTGAGE PAYABLE TO DEUTSCHE BANK ALEX BROWN

The first mortgage on the Project in the principal amount of $66,000,000 matures April 9, 2004, has three one-year renewal options and requires monthly payments of interest only based on the one-month LIBOR rate plus 2.5%.

MORTGAGE PAYABLE TO EMPIRE STATE DEVELOPMENT CORPORATION

The second mortgage in the principal amount of $4,000,000 is guaranteed by the General Partner and bears interest at 5.5%. This loan was required to be converted to permanent financing in April 2002; however, to date, the Partnership has not amended the terms of the loan with its lender.

5. COMMITMENTS AND CONTINGENCIES

(a) In connection with the original development of the Project, the Partnership entered into a transaction with the City of New Rochelle Industrial Development Agency ("IDA"), whereby the title to the land was transferred to the IDA and the Partnership leased the land back pursuant to a lease agreement dated January 30, 1999 (the "Lease"). The Lease provides that the Partnership pays base rent in the amount of one dollar ($1.00) on the commencement date, which constitutes the entire amount of base rent due.

Further, the Lease provides that the Partnership pays additional rent amounts due with respect to payments in lieu of Real Estate Taxes ("PILOT") negotiated with the IDA.

The PILOT payments are equal to the greater of $370,000 per year or $1.00 per square foot of net leaseable area plus $25,000. The term of the Lease runs to January 30, 2018 at which time the Partnership is required to purchase the IDA's interest in the land by paying any rental payments then due plus one dollar ($1.00). Future minimum ground lease payments are:

YEARS ENDING:	
2003	$ 370,000
2004	370,000
2005	370,000
2006	370,000
2007	370,000
THEREAFTER	3,700,000
	$5,550,000

(b) The Partnership is involved in various legal actions and claims arising in the ordinary course of its business. Management believes that current litigation and claims will be resolved without any material effect on the Partnership's financial statement.

(b) Pro Forma Financial Information

ENTERTAINMENT PROPERTIES TRUST
CONDENSED CONSOLIDATED PRO FORMA BALANCE SHEETS
SEPTEMBER 30, 2003
(Dollars in thousands)

	Entertainment Properties Trust	New Roc Associates, LP	Pro Forma Adjustments		Pro Fo Entertai Proper Trust New R Associat
ASSETS					
Rental properties, net	$ 742,658	$ 93,495	$ 8,215	(1)	$ 844
Cash and cash equivalents	107,314	774	(25,000)	(2)	83
Other assets	40,475	4,717	(2,437)	(3)	42
Total assets	$ 890,447	$ 98,986	$ 19,222		$ 970
LIABILITIES AND SHAREHOLDERS' EQUITY					
Common dividend payable	$ 9,827	$ -	$ -		$ 9
Preferred dividend payable	1,366	-	-		1
Other liabilities	1,588	895	(492)	(4)	1
Long-term debt	439,152	70,000	-		509
Total liabilities	451,933	70,895	(492)		522
Minority interest	15,375	-	9,361	(5)	24
Shareholders' equity	423,139	28,091	(28,091)	(6)	423
Total liabilities and shareholders' equity	$ 890,447	$ 98,986	$(19,222)		$ 970

NOTES:

(1) Purchase accounting adjustment for the fair value of the land and building at September 30, 2003.

(2) Purchase of interest in New Roc Associates, LP.

(3) Adjustment for seller affiliate receivables. Per section 1.5.4(b) "Adjustments at Closing" of the Limited Partnership Interest Purchase Agreement dated October 27, 2003, the Company shall have no right to collect any receivables from any affiliate of the seller after closing. Any such accounts receivables will be assigned to seller.

(4) Adjustment for accounts payable related to period prior to closing (October 27, 2003). Payables due by seller.

(5) Minority interest calculated as of September 30, 2003 with pro forma adjustments.

ENTERTAINMENT PROPERTIES TRUST
CONDENSED CONSOLIDATED PRO FORMA INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002
(Dollars in thousands except per share data)

	Entertainment Properties Trust	New Roc Associates, LP	Pro Forma Adjustments
Rental revenue	$71,610	$11,381	$ -
Other income	-	-	-
Total income	$71,610	$11,381	$ -
Property operating expense	201	3,838	-
General and administrative expense	3,341	444	-
Interest expense, net	24,475	3,343	-
Depreciation and amortization	12,862	3,723	47 (1)
Income before minority interest and income from joint venture	30,731	33	(47)
Gain on sale of real estate	202	-	-
Equity in income from joint venture	1,421	-	-
Minority interest	(1,195)	-	4 (2)
Net income	$31,159	$33	$(43)
Preferred dividend	(3,225)	-	-

requirements			
	-------	-------	-------
Net income available to common shareholders	$27,934	$33	$(43)
	=======	=======	=======
Basic net income per common share	1.66		
	====		
Diluted net income per common share	1.64		
	====		
Shares used for computation:			
Basic	16,791		
Diluted	17,762		

(1) Depreciation adjustment related to increase in building value per purchase accounting FMV adjustment at 1/1/02.

(2) Minority interest expense is 28.6% of Partnership net income less pro forma adjustments.

ENTERTAINMENT PROPERTIES TRUST
CONDENSED CONSOLIDATED PRO FORMA INCOME STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003
(Dollars in thousands except per share data)

	Entertainment Properties Trust	New Roc Associates, LP	Pro Adjus
Rental revenue	$ 64,808	$ 8,419	
Other income	1,195	-	
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Total revenue	66,003	8,419	
Property operating expense	398	2,153	
General and administrative expense	3,629	197	
Interest expense, net	22,363	2,264	
Depreciation and amortization	11,631	2,874	
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Income before minority interest and			

income from joint venture	27,982	931	
Equity in income from joint venture	299	-	
Minority interest	(1,125)	-	(
Net income	$ 27,156	931	(
Preferred dividend requirements	(4,097)	-	
Net income available to common shareholders	23,059	931	(
Basic net income per common share	1.34		
Diluted net income per common share	1.31		
Shares used for computation:			
Basic	17,189		
Diluted	18,456		

NOTES:

(1) Depreciation adjustment related to increase in building value per purchase accounting FMV adjustment at 1/1/03.

(2) Minority interest expense is 28.6% of partnership net income less pro forma adjustments.

(c) Exhibits

10.1 Limited Partnership Interest Purchase Agreement dated October 27, 2003 among EPT New Roc GP, Inc., EPT New Roc, LLC, LRC Industries, Inc., DKH - New Roc Associates, L.P., LC New Roc Inc. and New Roc Associates, L.P.*

10.2 Second Amended and Restated Agreement of Limited Partnership of New Roc Associates, L.P.*

23.1 Authorization of Independent Auditors

* previously filed with our current report on Form 8-K dated October 27, 2003, as filed with the Securities and Exchange Commission on November 12, 2003 and incorporated by reference herein.

SIGNATURE

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

ENTERTAINMENT PROPERTIES TRUST

Date: January 12, 2004

By /S/ DAVID M. BRAIN

David M. Brain
President and Chief Executive Officer