

PAPA JOHNS INTERNATIONAL INC
Form 11-K
June 27, 2005

**Better Ingredients.
Better Pizza.**

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 11-K

(Mark One)

Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2004

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

PAPA JOHN S INTERNATIONAL, INC.

**2002 Papa Johns Boulevard
Louisville, Kentucky 40299-2334
(502) 261-7272**

Papa John's International, Inc. 401(k) Plan

Financial Statements and Schedule

Years ended December 31, 2004 and 2003

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Report of Independent Registered Public Accounting Firm

401(k) Plan Committee
Papa John's International, Inc.

We have audited the accompanying statements of net assets available for benefits of the Papa John's International, Inc. 401(k) Plan (the Plan) as of December 31, 2004 and 2003, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2004 and 2003, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2004, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

May 26, 2005
Louisville, Kentucky

Papa John's International, Inc. 401(k) Plan

Statements of Net Assets Available for Benefits

	2004	December 31	2003
Assets			
Investments at fair value:			
Papa John's International, Inc. common stock	\$	630,356	\$ 610,220
Mutual funds		13,723,815	12,320,015
Interest bearing cash		30,829	31,530
Participant loans		810,477	658,799
Investments at contract value:			
Guaranteed investment contract		2,567,762	1,948,777
Total investments		17,763,239	15,569,341
Receivables:			
Contributions:			
Participants		71,583	
Employer			372,180
Interest		1,380	
Total receivables		72,963	372,180
Total assets		17,836,202	15,941,521
Liabilities			
Excess contributions refundable to participants		23	1,126
Net assets available for benefits	\$	17,836,179	\$ 15,940,395

See accompanying notes.

Papa John's International, Inc. 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

	2004	December 31	2003
Additions:			
Investment income:			
Net appreciation in fair value of investments	\$ 1,188,500	\$	2,635,974
Interest and dividend income	341,919		172,148
Total investment income	1,530,419		2,808,122
Contributions:			
Participants	2,358,302		2,369,081
Rollover	299,327		169,975
Employer			346,180
Total contributions	2,657,629		2,885,236
Deductions:			
Benefits paid to participants	(2,275,914)		(2,335,832)
Administrative fees	(16,350)		(17,251)
Net increase	1,895,784		3,340,275
Net assets available for benefits at beginning of year	15,940,395		12,600,120
Net assets available for benefits at end of year	\$ 17,836,179	\$	15,940,395

See accompanying notes.

Papa John's International, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2004

1. Description of Plan

Papa John's International, Inc. (the Company) established the Papa John's International, Inc. 401(k) Plan (the Plan) on October 1, 1995. The Plan is a defined contribution plan available to all employees of the Company and its subsidiaries, who have attained the age of twenty-one, completed one year of service and who work at least 1,000 hours annually. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Participants may voluntarily elect to contribute from 1 to 20 percent of their annual eligible wages to their account within the Plan. The Company may, at its discretion, make matching or profit sharing contributions to the Plan. During 2003, the Company contributed, to participants actively employed on the last day of the plan year, an amount equal to 25 cents for every dollar contributed by the participants up to a maximum of the first 6 percent of the participants' contributions. There was no matching contribution for the 2004 plan year.

The contributions are allocated at the direction of the participant among selected investments. Each fund's investment income or loss, less any investment management fee, is allocated to participants' accounts based on their proportionate interest in the fund. The value of participants' accounts will fluctuate with the market value of the securities in which the fund is invested. Participant contributions and the earnings on those contributions are immediately vested to the participant. Company discretionary contributions vest subject to a five-year graded vesting schedule. In order to receive vesting credit in a Plan year, participants must have had at least 1,000 hours of service in the Plan year. Vested contributions are payable upon retirement, death or disability, termination of employment, or earlier for hardship reasons. Participants may also borrow from their account through participant loans. Forfeited balances of terminated participants' non-vested accounts are used to reduce future Company contributions. The Summary Plan Description provides a more complete description of the Plan's provisions.

Certain Plan professional expenses are paid directly by the Company.

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

2. Significant Accounting Policies

Investments

Papa John's International, Inc. common stock is stated at fair value as determined by the last reported sales price on the last business day of the plan year. Mutual funds are stated at fair value as determined by quoted market prices. Outstanding participant loan balances are stated at cost, which approximates fair value.

The Plan's investment options include a guaranteed investment contract with MetLife, which is a benefit-responsive investment contract. MetLife maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The average yield and crediting interest rate on such investments was 4.2% in 2004 and 4.5% in 2003. The crediting interest rate changes annually and is based on an agreed upon formula with the issuer. The contract is included in the accompanying financial statements at contract value as reported to the Plan by MetLife. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves against contract value for credit risk of the contract issuer or otherwise.

Contributions

Contributions from participants are recorded when the Company makes payroll deductions. Discretionary employer contributions are determined, funded and recorded annually. Contributions receivable represent amounts not yet deposited into the participants' individual accounts.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Plan's management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

3. Investments

The Plan's investments (including investments bought, sold, and held during the year) appreciated in fair value during the years as follows:

	2004		2003
Common stock	\$ 19,018	\$	110,584
Mutual funds	1,080,604		2,422,161
Guaranteed investment contract	88,878		103,229
	\$ 1,188,500	\$	2,635,974

Individual investments that represent 5% or more of the fair value of the Plan's net assets are as follows:

	2004	December 31	2003
Mutual funds:			
Fidelity Advisor Growth & Income Fund	\$ 3,164,330	\$	3,297,864
Janus Adviser Mid Cap Growth Fund	2,300,457		1,958,484
State Street Research Aurora Fund	1,680,511		1,359,717
Harris Associates - Oakmark International Fund II	1,193,700		900,528
Henssler Equity Fund	1,168,100		1,016,390
Janus Adviser Balanced Fund	1,023,298		930,492
Calvert Income Fund	1,009,764		1,050,431
Investment at contract value:			
MetLife Guaranteed Investment Contract	2,567,762		1,948,777

4. Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated March 3, 2005 stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to the application for determination, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

5. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Schedule

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Papa John's International, Inc. 401(k) Plan

EIN: 61-1203323, Plan Number: 001

Schedule H, Line 4i-Schedule of Assets
(Held At End of Year)

December 31, 2004

Identity of Issue or Borrower	Description of Investment, Including Shares Held or Rate of Interest	Current Value
Common Stock:		
* Papa John's International, Inc.	18,303 shares	\$ 630,356
Mutual Funds:		
Fidelity Advisor Growth & Income Fund	190,622 shares	3,164,330
Janus Adviser Mid Cap Growth Fund	91,761 shares	2,300,457
State Street Research Aurora Fund	41,515 shares	1,680,511
Harris Associates - Oakmark International Fund II	56,762 shares	1,193,700
Henssler Equity Fund	80,670 shares	1,168,100
Janus Adviser Balanced Fund	40,656 shares	1,023,298
Calvert Income Fund	59,398 shares	1,009,764
Janus Adviser Growth Fund	26,448 shares	547,210
Fidelity Advisor High Income Advantage Fund	53,867 shares	539,748
American Century Ultra Fund	15,573 shares	453,792
State Street Research Emerging Growth Fund	17,103 shares	232,085
American Funds Growth Fund of America	6,094 shares	166,854
JP Morgan Mid Cap Value Fund	6,636 shares	146,316
Harris Associates - Oakmark Fund II	2,347 shares	97,650
		13,723,815
Investment Contract:		
*MetLife Guaranteed Investment Contract	208,249 shares	2,567,762
Interest Bearing Cash	30,829 shares	30,829
Participant Loans	5.00% to 10.50% per annum	810,477
		\$ 17,763,239

* Represents party-in-interest to the Plan.

SIGNATURES

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

Date: June 27, 2005

**PAPA JOHN S INTERNATIONAL, INC.
401(k) PLAN**

/s/ J. David Flanery
J. David Flanery
Senior Vice President and Chief
Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
23	Consent of Ernst & Young LLP.