FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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BURKE MILLS INC
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Mailing Address
191 STERLING ST NW
VALDESE NC 28690

Business Address
191 STERLING STREET N W
VALDESE NC 28690
8288746341

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED April 3, 2004

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

Commission File Number 0-5680

BURKE MILLS, INC.
(Exact name of registrant as specified in its charter)

IRS EMPLOYER IDENTIFICATION (56-0506342)
NORTH CAROLINA
(State or other jurisdiction of incorporation or organization]

191 Sterling Street, N.W.
Valdese, North Carolina 28690
(Address of principal executive offices) (Zip Code)

(828) 874-6341
(Registrant's telephone number,
including area code)

No Changes

(Former name, former address and former fiscal year, if
changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.
Yes_X_ No___

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ___ No _X__

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of May 4, 2004, there were outstanding 2,741,168 shares of the issuer's only class of common stock.

BURKE MILLS, INC.
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Part II - OTHER INFORMATION

BURKE MILLS, INC.
PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CONDENSED BALANCE SHEETS

	April 3 2004 (Unaudited)	January 3 2004 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	$ -0-	$ 147,062
Accounts receivable	3,474,955	2,365,284

Inventories	2,072,242	1,880,477
Prepaid expenses and other current assets	135,434	52,633
Total Current Assets	5,682,631	4,445,456
Equity Investment in Affiliate	255,000	553,180
Property, plant & equipment - at cost	30,527,300	30,513,251
Less: accumulated depreciation	22,908,069	22,450,432
Property, Plant and Equipment- Net	7,619,231	8,062,819
Other Assets		
Deferred income taxes	62,000	60,000
Other	16,575	16,575
	78,575	76,575
Total Assets	$13,635,437	$13,138,030

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities		
Bank overdraft	$ 50,885	$ -0-
Short-term debt - revolving bank line	-0-	141,514
Accounts payable	1,991,165	871,695
Accrued salaries and wages	183,591	54,050
Other liabilities and accrued expenses	201,281	113,412
Total Current Liabilities	2,426,922	1,180,671
Deferred Income Taxes	1,288,000	1,374,000
Total Liabilities	3,714,922	2,554,671
Shareholders' Equity		
Common stock, no par value		
(stated value, $.66)		
Authorized - 5,000,000 shares		
Issued and outstanding - 2,741,168 shares	1,809,171	1,809,171
Paid-in capital	3,111,349	3,111,349
Retained earnings	4,999,995	5,662,839
Total Shareholders' Equity	9,920,515	10,583,359
Total Liabilities & Shareholder's Equity	$13,635,437	$13,138,030

See notes to financial statements.

BURKE MILLS, INC.
CONDENSED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
(Unaudited)

	Thirteen Weeks Ended	
	April 3, 2004	March 29, 2003
Net Sales	$6,600,614	$6,619,994
Costs and Expenses		
Cost of Sales	6,401,110	6,119,934
Gross Profit	199,504	500,060
Selling, General and Administrative Expenses	633,010	639,043
Operating Loss	(433,506)	(162,974)
Other Income		
Interest Income	175	7,167
Other, net	80	16,802
Total Other Income	255	23,969
Other Expenses		
Interest Expense	552	32,566
Other, net	12,580	-0-
Total Other Expenses	13,132	32,566
Loss Before Income Tax Benefit and Equity in Net Loss of Affiliate	(446,383)	(171,571)
Income Tax Benefit	(81,719)	(53,038)
Loss Before Equity in Net Loss of Affiliate	(364,664)	(118,533)
Equity in Net Loss of Affiliate	(298,180)	-0-

Net Loss	(662,844)	(118,533)
Retained Earnings at Beginning of Period	5,662,839	8,166,972
Retained Earnings at End of Period	$4,999,995	$8,048,438
Basic and Diluted Net Loss Per Share	$ (0.24)	$ (0.04)
Dividends Per Share of Common Stock	None	None
Weighted Average Common Shares Outstanding	2,741,168	2,741,168

See notes to condensed financial statements.

BURKE MILLS, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Thirteen Weeks Ended	
	April 3, 2004	March 29, 2003
Cash flows from operating activities		
Net Loss	$ (662,844)	$ (118,533)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	457,637	511,929
Allowance for mark-down inventory	25,200	-0-
Deferred income tax	(88,000)	-0-
Equity in affiliate	298,180	-0-
Changes in assets and liabilities:		
Accounts receivable	(1,109,671)	(468,520)
Inventories	(216,965)	(710,582)
Prepaid expenses & other current assets	(82,801)	(126,576)
Other non-current assets	-0-	(42,170)

Accounts payable	1,119,470	726,347
Accrued salaries & wages	129,541	73,643
Other liabilities and accrued expenses	87,869	98,874
Total Adjustments	620,460	62,945
Net cash used by operating activities	(42,384)	(55,588)
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(14,049)	(60,936)
Net cash used by investing activities	(14,049)	(60,936)
Cash flows from financing activities:		
Bank overdraft	50,885	-0-
Net payments to revolving credit line	(141,514)	-0-
Principal payments of long-term debt	-0-	(294,643)
Net cash used by financing activities	(90,629)	(294,643)
Net decrease in cash and cash equivalents	(147,062)	(411,167)
Cash and cash equivalents at beginning of year	147,062	4,191,173
CASH AND EQUIVALENTS AT END OF FIRST QUARTER	$ -0-	$3,780,006

See notes to condensed financial statements

BURKE MILLS, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all necessary adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the thirteen-week period ended April 3, 2004 are not necessarily indicative of the results that may be expected for the year ended January 1, 2005. For further information, refer to the financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended January 3, 2004.

NOTE 2 - CASH AND CASH EQUIVALENTS

For the purposes of the statements of cash flows, the Company considers cash on hand, deposits in banks, interest bearing demand matured funds on deposit with factor, and all highly liquid debt instruments with a maturity of three months or less when purchased as cash and cash equivalents. FASB No. 95 requires that the following supplemental disclosures to the statements of cash flows be provided in related disclosures. Cash paid for interest for the thirteen weeks ended April 3, 2004 and March 29, 2003 was $600 and $32,000 respectively. The Company had no cash payments for the thirteen weeks ending April 3, 2004 and March 29, 2003 for income taxes.

NOTE 3 - OPERATIONS OF THE COMPANY

The Company is engaged in texturing, winding, dyeing, processing and selling of filament, novelty and spun yarns, and in the dyeing and processing of these yarns for others on a commission basis.

The Company's fiscal year is the 52 or 53 week period ending on the Saturday nearest to December 31. Its fiscal quarters also end on the Saturday nearest to the end of the calendar quarter.

Revenues from sales are recognized at the time shipments are made to the customer. Related shipping and handling costs are included in cost of sales.

NOTE 4 - USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted 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. Significant estimates are the liability for self-funded health claims, inventory markdowns, and the investment value of affiliates.

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable are comprised of the following:

	April 3, 2004	January 3, 2004
Account current - Factor:		
Due from Factor on regular factoring account........	$2,433,000	$1,520,000
Non-factored accounts receivable...	1,042,000	845,000
	$3,475,000	$2,365,000

NOTE 5 - ACCOUNTS RECEIVABLE (continued)

Pursuant to a factoring agreement, the Company sells substantial portions of its accounts receivable to a commercial factor without recourse, up to maximum credit limits established by the factor for individual accounts. The factor assumes the credit risks for these accounts and effects the collection of the receivables. Amounts invoiced to customers on accounts receivable factored in excess of the established maximum credit limits are sold to the factor with recourse in the event of nonpayment by customers. The Company had accounts receivables of $20,000 at April 3, 2004 that had been sold to the factor with recourse. At January 3, 2004 there was $232,000 sold to the factor with recourse.

The Company pays a service charge to its factor to cover credit checking, assumption of credit risk, record keeping and similar services. In addition, if the Company takes advances from its factor prior to the collection of the receivables sold (as defined), it is required to pay interest to the factor on these advances. The Company incurred only $552 in interest costs during the first quarter of 2004.

The Company's factor is collateralized by the accounts receivable sold to the factor, and the factor has filed a UCC-1 to evidence ownership of the receivables and to separate the receivables from the Company's creditors.

NOTE 6 - INVENTORIES

Inventories are summarized as follows:

	April 3, 2004	January 3, 2004

Finished & in process	$1,186,000	$1,123,000
Raw materials	579,000	473,000
Dyes & chemicals	217,000	194,000
Other	90,000	90,000
Total	$2,072,000	$1,880,000

NOTE 7 - LINE OF CREDIT

The Company has a revolving credit agreement with its factor. Under the agreement the Company can borrow up to 90% of the face amount of each account sold to the factor and up to 40%, or $1,000,000 (whichever is lesser) on eligible inventory. The borrowing rate is LIBOR plus 2.5%. The average borrowing rate for the first quarter was 3.61%. The factor holds a first lien position on the Company's inventory. At the end of the quarter, there was no debt under the line of credit.

The Company classified the revolving debt as a current liability on its balance sheet.

NOTE 8 - LONG-TERM DEBT

In the fourth quarter of 2003, the Company paid off its long-term debt. The Company used its cash and a revolving loan (see Note 7).

NOTE 9 - INCOME TAXES

The Company uses the liability method as required by FASB statement 109 "Accounting for Income Taxes". Under this method, deferred tax assets and liabilities are determined based on the differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws.

The items that comprise deferred tax assets and liabilities are as follows:

	April 3,	Jan. 3

	2004	2004
Deferred tax assets:		
Alternative minimum taxes paid	$ 349,000	$ 349,000
Net operating loss carryover	731,000	530,000
Charitable contributions carryover	12,000	12,000
State Tax Credits	41,000	41,000
Other	3,000	3,000
Inventory	47,000	45,000
Sub-Total	1,183,000	$ 980,000
Valuation Allowance	(1,121,000)	(920,000)
Total	$ 62,000	$ 60,000
Deferred tax liabilities:		
Accelerated depreciation for tax purposes	$1,287,000	$1,374,000
Other	1,000	-0-
	$1,288,000	$1,374,000

	Thirteen Weeks Ended	
Income tax benefit	April 3 2004	March 29, 2003
consists of:		
Deferred	$ (88,000)	$ -0-
Federal	-0-	(49,400)
State	-0-	(3,700)
	$ (88,000)	($53,100)

The net operating loss carryforward from a prior year is $889,000 expiring 2019/2022. The tax effect at the maximum tax rate is $302,300. The Company has paid and has set forth $349,000 for alternative minimum taxes paid, which may only be used to offset normal income taxes that may be incurred in future years.

NOTE 10 - EMPLOYEE BENEFIT PLAN

The Company is a participating employer in the Burke Mills, Inc., Savings and Retirement Plan and Trust that has been qualified under Section 401(k) of the Internal Revenue Code. This plan allows eligible employees to contribute a salary reduction amount of not less than 1% nor greater than 25% of the employee's salary but not to exceed dollar limits set by law. The employer may make a discretionary contribution for each employee out of current net profits or accumulated net profits in an amount the employer may from time to time deem advisable. No provision was made for a discretionary contribution for the periods ended April 3, 2004 and March 29, 2003.

NOTE 11 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of occasional temporary cash investments and amounts due from the factor on receivables sold to the factor on a non-recourse basis. The receivables sold to the factor during a month generally mature over the next 60 days. At April 3, 2004 the Company had $2,433,000 due from its factor of which $20,000 are with recourse. Upon maturity, the funds are automatically transferred by the factor to the Company's bank.

NOTE 12 - COMMITMENTS

a) The Company and Titan Textile Company, Inc., signed an agreement which became effective April 1, 1999, whereby the Company sold its friction texturing equipment to Titan and in turn will purchase textured yarns from Titan. The agreement states that the Company will purchase 70,000 pounds per week as long as the Company has a requirement for textured yarns. When the Company's requirements exceeds 140,000 pounds per week, the Company will purchase at least 50% of its requirements from Titan. The textured yarn pricing structure will be reviewed every six months and when yarn prices increase or decrease by 5% or more.

b) During 1996 in connection with a bank loan to the Company secured by real estate, the Company had a Phase I Environmental Site Assessment conducted on its property. The assessment indicated the presence of a contaminant in the groundwater under the Company's property. The contaminant was a solvent used by the Company in the past but no longer used. The contamination was report to the North Carolina Department of Environment and Natural Resources (DENR). DENR required a Comprehensive Site Assessment that has been completed. The Company's outside engineering firm conducted testing and prepared a Corrective Action Plan that was submitted to DENR. The Company has identified remediation issues and is moving toward a solution of natural attenuation. The cost of monitoring will be approximately $31,000 per year.

NOTE 13 - INVESTMENT IN AFFILIATE AND RELATED PARTY TRANSACTIONS

The company owns 49.8% of Fytek, S.A. de C.V. (Fytek), a Mexican corporation. Fytek began operation in the fourth quarter of 1997. The company accounts for the ownership using the equity method. The Company and its joint venture partner, Teijin/Akra, voted on March 26, 2004 to close their joint venture, Fytek. The joint venture will operate on a scaled down basis through June 2004. The Company estimates that it will receive $255,000 cash distribution after liquidation. The Company has written down the investment in affiliate by $298,000 based on its estimate.

During the thirteen weeks, the Company had purchases from Fytek of $367,000 compared to $243,000 in 2003. Burke Mills does not guarantee any debt for its joint venture, Fytek. Financial information for Fytek is as follows:

NOTE 13 - INVESTMENT IN AFFILIATE AND RELATED PARTY TRANSACTIONS (continued)

STATEMENT OF INCOME
(In thousands of U.S. dollars)
(Unaudited)

	1st Quarter 2004	1st Quarter 2003
Net Sales	$ 560	$ 649
Gross Profit	(82)	32
Income from continuing operations	(106)	37
Income before taxes	(106)	37
Provision (credit) for income tax	36	12
Net Income	$ (70)	$ 25

BALANCE SHEET
(In thousands of U.S. dollars)

	March 31, 2004	March 31, 2003
ASSETS		
Current assets	$1,840	$2,269
Non-current assets	242	187
Total Assets	$2,082	$2,456
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	$ 537	$ 607
Non-current liabilities	28	55
Total Liabilities	$ 565	$ 662
Shareholders equity	$1,517	$1,794
Total Liabilities & Shareholders' Equity	$2,082	$2,456

BURKE MILLS, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)(Continued)

NOTE 14 - ACCOUNTING FOR POSSIBLE IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets are evaluated for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of these assets and its eventual disposition are less than its carrying amount. Impairment, if any, is assessed using discounted cash flows.

In 2003 the Company wrote off equipment with a net book value of $268,000. With the decrease in sales volume and no anticipated business increase in products that will run on the machinery, the machinery was written off as a non-performing asset. No salvage value has been assigned to the machinery, as the Company has no potential buyer. There were no write offs necessary in the first quarter of 2004.

NOTE 15 - EARNINGS PER SHARE

Earnings per share are based on the net income divided by the weighted average number of common shares outstanding during the thirteen week periods ended April 3, 2004, and March 29, 2003.

Item 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

EXECUTIVE SUMMARY

The Company's major market is packaged dyed yarn for home, contract, automotive upholstery, and home furnishings. Although the Company continues to experience imports of finished products that compete with its customers' products and an excess capacity in the industry for packaged dyed yarns, sales for the first quarter of 2004 were about the same as first quarter of 2003. In the first quarter the Company began to dye fibers other than polyester, and believes the diversification will help maintain and possibly increase sales in the future. The diversification required only $7,500 in capital expenditures.

Polyester yarn is the Company's major raw material. In January 2004 two major suppliers announced price increases. The Company has not yet received a price increase from its suppliers, but believes it is a possibility that prices will be raised in the second quarter of 2004. The Company will try to pass any price increase to its customers, but with the competitive nature of the market there is no assurance that all of the increase can be recovered.

Fytek, the Company's joint venture in Mexico, has experienced a decline in sales for each of the last three years. On March 26, 2004, the Company and its joint venture partner, Teijin/Akra, voted to close the Fytek operation. Fytek will operate on a scaled down basis through June of 2004. Yarns from Fytek sold to the Company will be produced by the Company and purchased domestically. The joint venture partners have estimated the cost associated with the run out of production and the net realizable value of the assets. Employee severance has been estimated at $489,000 which can be reduced if the joint venture partner can absorb the Fytek employees into its operation. These estimates have been used to establish an estimated liquidation value, which the Company has used to write down its investment in affiliate. Actual liquidation value could vary.

BURKE MILLS INC.

Item 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

THIRTEEN WEEKS ENDED April 3, 2004

COMPARED TO THIRTEEN WEEKS ENDED March 29, 2003

Results of Operations

2004 Compared to 2003

The following discussion should be read in conjunction with the information set forth under the Financial Statements and Notes thereto included elsewhere in the 10-Q.

The following table sets forth operating data of the Company as a percentage of net sales for the periods indicated below:

	Thirteen Weeks Ended	
	April 3 2004	March 29, 2003
Net Sales	100.0%	100.0%
Cost of Sales	97.0	92.4
Gross Profit	3.0	7.6
Selling, General, and Administrative Costs	9.6	10.1
Operating Loss	(6.6)	(2.5)
Interest Expense	(0.0)	(0.5)
Other Expense	(0.2)	0.4
Loss before Income Taxes	(6.8)	(2.6)
Equity in Net Loss of Affiliate	(4.5)	-0-
Income Taxes (Credit)	(1.2)	(0.8)
Net Loss	(10.1)	(1.8)%

Net Sales

Net sales for the thirteen weeks ended April 3, 2004 decreased by .3% to $6,601,000 compared to $6,620,000 for the first quarter of 2003. Pounds shipped decreased by 1.5% compared to 2003, while average sales prices increased by 2.3% as a result of product mix.

Cost of Sales and Gross Margin

Cost of sales for the first quarter increased by $281,000 or 4.6% compared to the first quarter of 2003. Material cost increased by $326,000 or 6.5% mainly as a result of sales mix and a 2.2% increase in reworks. Direct labor increased by $2,000 and overhead cost decreased by $47,000.

Selling, General and Administrative Expenses

Selling, general, and administrative expenses decreased by $6,000 or .9%. The Company will continue to maintain a strong sales effort.

Interest Expense

Interest expense was $600 for the first quarter of 2004 compared to $33,000 in 2003. The Company paid off its long-term debt in the fourth quarter of 2003 and used its revolving credit line sparingly in the first quarter of 2004.

Loss Before Provision for Taxes and Equity in Loss of Affiliate
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For the thirteen weeks ended April 3, 2004 the Company recorded a loss of ($446,000). As discussed above the loss was primarily due to an increase in cost of materials.

Equity in Net Loss of Affiliate

The Company and its joint venture partner, Teijin/Akra voted on March 26, 2004 to close their joint venture, Fytek. The joint venture will operate on a scaled down basis through June 2004. The Company estimates that it will receive $255,000 cash distribution after liquidation. The Company has written down the investment in affiliate by $298,000 based on its estimate. Also see Note 13.

Credit for Income Taxes

A credit of $289,000 was provided for the loss before taxes of $745,000, but was partly offset as the Company recorded a valuation allowance of $201,000 for its tax asset.

Critical Accounting Policies and Estimates

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States, requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities as of the balance sheet date and revenues and expenses recognized and incurred during the reporting period then ended. In addition, estimates affect the determination of contingent assets and liabilities and their related disclosure. The Company bases its estimates on a number of factors, including historical information and other assumptions that it believes are reasonable under the circumstances. Actual results may differ from these estimates in the event there are changes in related conditions or assumptions. The development and selection of the disclosed estimates have been discussed with the Audit Committee of the Board of Directors. The following accounting policies are deemed to be critical, as they require accounting estimates to be made based upon matters that are highly uncertain at the time such estimates are made.

The Company is self-funded for its employee health claims. The health claims are paid by the Company after review by the Company's third party administrator. The Company's liability for health claims includes claims that the Company estimates have been incurred, but not yet presented to the administrator. A historical basis is used to establish the amount.

The Company reviews its inventory and when necessary establishes a markdown allowance for obsolete and slow moving items. The markdown allowance is determined by aging the inventory, reviewing the inventory with the salesmen, and determining a salvage value.

The Company recorded a charge for impairment for Investment in Affiliate. The charge for impairment was based on assumptions made by management of the realizable value of the affiliates assets less the affiliates liabilities compared to the value on the company's balance sheet.

Liquidity and Capital Resources

The Company has a line of credit with its factor for accounts receivable and inventory. The Company sells a substantial portion of its accounts receivable to a commercial factor so that the factor assumes the credit risk for these accounts and effects the collection of the receivables. At April 3, 2004 the Company had $2,433,000 due from its factor which should be collected over the next 60 days. The Company has the right to borrow up to 90% of the face amount of each account sold to the factor.

Liquidity and Capital Resources (continued)

The inventory line of credit allows the Company to borrow 40% of the value of the eligible inventory up to $1,000,000.

At April 3, 2004 the Company had no borrowing under the credit line. The unused line of credit was approximately $2,647,000.

The Company's working capital at April 3, 2004, aggregated $3,256,000 representing a working capital ratio of 2.3 to 1 compared to a working capital of $1,891,000 at January 3, 2004, and representing a working capital ratio of 1.74 to 1.

As a measure of current liquidity, the Company's quick position (cash, cash equivalents and receivables over current liabilities) discloses the following at April 3, 2004:

Cash, cash equivalents and receivables...........	$3,475,000
Current liabilities..............................	2,427,000
Excess of quick assets over current liabilities..	$1,048,000

The Company believes that its cash, cash equivalents and receivables, and its factoring and credit arrangements will be sufficient to finance its operations for the next 12 months.

During the thirteen weeks of 2004, the Company acquired new machinery and equipment of approximately $14,000 as set forth in the accompanying Statement of Cash Flows. For the balance of 2004, the Company anticipates the acquisition of machinery and equipment of approximately $86,000 which together with the acquisitions and deposits on acquisitions incurred to April 3, 2004 will aggregate an anticipated acquisition of new machinery of approximately $100,000 in 2004. The Company plans to finance its capital from cash provided from operations and bank financing.

The Company's cash and equivalents decreased for the thirteen weeks ended April 3, 2004 to zero from $147,000 at January 3, 2004. See accompanying Statement of

Cash Flow.

Forward Looking Statements

Certain statements in this Management's Discussion and Analysis of Financial condition and Results of Operations, and other sections of this report, contain forward-looking statements within the meaning of federal securities laws about the Company's financial condition and results of operations that are based on management's current expectations, beliefs, assumptions, estimates and projections about the markets in which the Company operates. Words such as "expects", "anticipates", "believes", "estimates", variations of such words and other similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in, or implied by, such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's judgement only as of the date hereof. The Company undertakes no obligations to update publicly any of these forward-looking statements to reflect new information, future events or otherwise.

Factors that may cause actual outcome and results to differ materially from those expressed in, or implied by, these forward-looking statements include, but are not necessarily limited to, availability, sourcing and pricing of raw materials, pressures on sales prices due to competition and economic conditions, reliance on and financial viability of significant customers, technological advancements, employee relations, changes in construction spending and capital equipment expenditures (including those related to unforeseen acquisition

Forward Looking Statements (continued)
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opportunities), the timely completion of construction and expansion projects planned or in process, continued availability of financial resources through financing arrangements and operations, negotiations of new or modifications of existing contracts for asset management and for property and equipment construction and acquisition, regulations governing tax laws, other governmental and authoritative bodies, policies and legislation, and proceeds received from the sale of assets held for disposal. In addition to these representative factors, forward-looking statements could be impacted by general domestic and international economic and industry conditions in the markets where the Company competes; such as, changes in currency exchange rates, interest and inflation rates, recession and other economic and political factors over which the Company has no control.

Item 3 - Quantitative and Qualitative Disclosures about Market Risk

The Company has not purchased any instruments or entered into any arrangements resulting in market risk to the Company for trading purposes or for purposes other than trading purposes.

Item 4 - Controls and Procedures

As of the end of the fiscal quarter covered by this report, the Company's management, with the participation of the Company's chief executive officer and chief financial officer, carried out an evaluation of the effectiveness of the Company's disclosure controls and procedure. The term "disclosure controls and procedures" means the controls and other procedures of the Company that are designed to insure that information required to be disclosed by the Company in its reports to the Securities and Exchange Commission ("SEC") is recorded, processed, summarized and reported, within the time period specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to insure that information required to be disclosed by the Company in the reports that it files or submits to the SEC under the Securities Exchange Act of 1934 is accumulated and communicated to the Company's management, including its chief executive officer and its chief financial officer as appropriate, to allow timely decisions regarding required disclosure. Based upon that evaluation, the Company's management, with the participation of the Company's chief executive officer and chief financial officer, concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the reports filed with the SEC by the Company. There has been no significant change in the Company's internal controls over financial reporting during the fiscal quarter covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

BURKE MILLS, INC.PART II - OTHER INFORMATION

Item 1 - Legal Proceedings. No report required.

Item 2 - Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities. No report required.

Item 3 - Defaults Upon Senior Securities. No report required.

Item 4 - Submission of Matters to a Vote of Security Holders. No matter has been submitted to a vote of security holders during the period covered by this report.

Item 5 - Other Information. No report.

Item 6 - Exhibits and Reports on Form 8-K

(a) The exhibits required by Item 601 of Regulation SK are attached to this report or incorporated by reference from prior filings.

(b) Reports on Form 8-K - No report on Form 8-K has been filed during the thirteen weeks ended April 3, 2004.

BURKE MILLS, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 17, 2004

BURKE MILLS, INC.

By: s/Humayun N. Shaikh

Humayun N. Shaikh,
Chairman of the Board
(Principal Executive Officer)

Date: May 17, 2004

By: s/Thomas I. Nail

Thomas I. Nail
President and COO
(Principal Financial Officer)

BURKE MILLS, INC.

EXHIBIT INDEX

Exhibit Number	Description
3(i)	Articles of Incorporation - incorporated by reference as a part of a registration statement on Form S-1 filed with the Securities and Exchange Commission in 1969.
3(ii)	By-Laws - incorporated by reference as a part of a registration statement on Form S-1 filed with the Securities and Exchange Commission in 1969.
31	Rule 13a-14(a) Certifications
32	Section 1350 Certifications

EXHIBIT 31

RULE 13(a)-14(a) CERTIFICATIONS

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Humayun N. Shaikh, certify that:

I have reviewed this quarterly report on Form 10-Q of Burke Mills, Inc.;

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;

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;

The registrant's other certifying officers 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 the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant'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; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant'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 registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

s/Humayun N. Shaikh

Date: May 17, 2004
Humayun N. Shaikh
Chairman and CEO
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Thomas I. Nail, certify that:

I have reviewed this quarterly report on Form 10-Q of Burke Mills, Inc.;

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;

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;

The registrant's other certifying officer(s) 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 the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant'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; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant'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 registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

s/Thomas I. Nail

Date: May 17, 2004

Thomas I. Nail
President and COO
(Principal Financial Officer)

EXHIBIT 32

SECTION 1350 CERTIFICATIONS

CERTIFICATION PURSUANT TO 18 U.S. CODE SECTION 1350

The undersigned Chief Executive Officer of Burke Mills, Inc., (the "Issuer") hereby certifies that the foregoing periodic report containing financial statements of the Issuer fully complies with the requirements of sections 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 USC 78m or 78o(d)) and that the information contained in the foregoing report fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Date: May 17, 2004

s/Humayun N. Shaikh

Humayun N. Shaikh
Chairman and CEO

CERTIFICATION PURSUANT TO 18 U.S. CODE SECTION 1350

The undersigned Chief Financial Officer of Burke Mills, Inc., (the "Issuer") hereby certifies that the foregoing periodic report containing financial statements of the Issuer fully complies with the requirements of sections 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 USC 78m or 78o(d)) and that the information contained in the foregoing report fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Date: May 17, 2004

s/Thomas I. Nail

Thomas I. Nail
President and COO
(Chief Financial Officer)