

Edgar Filing: A C MOORE ARTS & CRAFTS INC - Form 10-Q

A C MOORE ARTS & CRAFTS INC
Form 10-Q
May 10, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2004

OR

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

For the transition period from _____ to _____

Commission File Number: 000-23157

A.C. MOORE ARTS & CRAFTS, INC.

(Exact name of registrant as specified in charter)

Pennsylvania

22-3527763

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

500 University Court, Blackwood, NJ 08012

(Address of principal executive offices) (Zip Code)

(856) 228-6700

(Registrant's telephone number, including area code)

N/A

(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 No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Edgar Filing: A C MOORE ARTS & CRAFTS INC - Form 10-Q

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

CLASS	OUTSTANDING AT MAY 6, 2004
----- Common Stock, no par value	----- 19,458,892

A.C. MOORE ARTS & CRAFTS, INC.

TABLE OF CONTENTS

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Consolidated Balance Sheets as of March 31, 2004
and December 31, 2003

Consolidated Statements of Income for the three
Months ended March 31, 2004 and 2003

Consolidated Statements of Cash Flows for the three
month periods ended March 31, 2004 and 2003

Notes to Consolidated Financial Statements

Item 2. Management's Discussion and Analysis of Financial
Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures About
Market Risk

Item 4. Controls and Procedures

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

Item 2. Changes in Securities, Use of Proceeds and Issuer
Purchases of Equity Securities

Item 3. Defaults Upon Senior Securities

Item 4. Submission of Matters to a Vote of Security Holders

Item 5. Other Information

Item 6. Exhibits and Reports on Form 8-K

SIGNATURES

PAG
NUMB

Edgar Filing: A C MOORE ARTS & CRAFTS INC - Form 10-Q

2

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

A.C. MOORE ARTS & CRAFTS, INC.
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	March 31, 2004
	----- (unaudited)
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 35,701
Marketable securities	7,525
Inventories	124,624
Prepaid expenses and other current assets	3,368

	171,218
Marketable securities	6,299
Property and equipment, net	59,850
Other assets	1,807

	\$ 239,174
	=====
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities:	
Current portion of capital leases	\$ 255
Trade accounts payable	35,281
Accrued payroll and payroll taxes	2,598
Accrued expenses	11,373
Income taxes payable	1,501

	51,008

Long-term liabilities:	
Long-term debt	10,000
Deferred tax liability	4,950
Other long-term liabilities	4,975

	19,925

	70,933

SHAREHOLDERS' EQUITY	
Preferred stock, no par value, 10,000,000 shares authorized, none issued	
Common stock, no par value, 40,000,000 shares authorized; issued and outstanding 19,382,593 shares at March 31, 2004 and 19,357,541 at December 31, 2003	105,349
Retained earnings	62,892

168,241

\$ 239,174
=====

See accompanying notes to financial statements

3

A.C. MOORE ARTS & CRAFTS, INC.
CONSOLIDATED STATEMENT OF INCOME
(dollars in thousands, except per share data)
(unaudited)

	Three months ended March 31,	
	2004	2003
Net sales	\$ 111,469	\$ 91,952
Cost of sales (including buying and distribution costs)	69,539	58,417
Gross margin	41,930	33,535
Selling, general and administrative expenses	39,526	32,585
Store pre-opening expenses	566	379
Income from operations	1,838	571
Net interest (income)	(120)	(109)
Income before income taxes	1,958	680
Provision for income taxes	754	260
Net income	\$ 1,204	\$ 420
Basic net income per share	\$ 0.06	\$ 0.02
Weighted average shares outstanding	19,370,097	18,834,421
Diluted net income per share	\$ 0.06	\$ 0.02
Weighted average shares outstanding plus impact of stock options	20,043,225	19,603,345

See accompanying notes to financial statements

Edgar Filing: A C MOORE ARTS & CRAFTS INC - Form 10-Q

4

A.C. MOORE ARTS & CRAFTS, INC.
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 (dollars in thousands)
 (unaudited)

	Three Months March 31
	----- 2004 -----
Cash flows from operating activities:	
Net income	\$ 1,204
Adjustments to reconcile net income to net cash (used in) operating activities:	
Depreciation and amortization	1,878
Changes in assets and liabilities:	
Inventories	(3,131)
Prepaid expenses and other current assets	(406)
Accounts payable, accrued payroll payroll taxes and accrued expenses	1,178
Income taxes payable	(5,140)
Other long-term liabilities	246
Other assets	(6)
Net cash (used in) operating activities	----- (4,177) -----
Cash flows from investing activities:	
Capital expenditures	(14,022)
Investment in marketable securities	308
Net cash (used in) investing activities	----- (13,714) -----
Cash flows from financing activities:	
Exercise of stock options	141
Increase in long-term debt	10,000
Repayment of equipment leases	(249)
Net cash provided by (used in) financing activities	----- 9,892 -----
Net (decrease) in cash	(7,999)
Cash and cash equivalents at beginning of period	----- 43,700 -----
Cash and cash equivalents at end of period	\$ 35,701 =====

See accompanying notes to financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(1) Basis of Presentation

The consolidated financial statements included herein include the accounts of A.C. Moore Arts & Crafts, Inc. and its wholly owned subsidiaries (collectively the "Company"). The Company is a chain of 84 retail stores selling arts and crafts merchandise. The stores are located throughout the eastern United States.

These financial statements have been prepared by management without audit and should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003. Due to the seasonality of the Company's business, the results for the interim periods are not necessarily indicative of the results for the year. The accompanying consolidated financial statements reflect, in the opinion of management, all adjustments necessary for a fair presentation of the interim financial statements. In the opinion of management, all such adjustments are of a normal and recurring nature.

(2) Management Estimates

The preparation of these consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reported period and related disclosures. Significant estimates made as of and for the three months ended March 31, 2004 and 2003 include provisions for shrinkage, capitalized buying, warehousing and distribution costs related to inventory, and markdowns of merchandise inventories. Actual results could differ materially from those estimates.

(3) Marketable Securities

Marketable securities represent investments in fixed financial instruments, are classified as held-to-maturity and recorded at amortized cost.

(4) Change in Accounting Principle

For all vendor contracts entered into or modified after December 31, 2002, the Company has adopted the Emerging Issues Task Force (EITF) 02-16, Accounting by a Customer (including a Reseller) for Cash Consideration Received from a Vendor. EITF 02-16 addresses the accounting for cash consideration received by a customer from a vendor (e.g., slotting fees, cooperative advertising payments, buydowns) and rebates or refunds from a vendor that is payable only if the customer completes a specified cumulative level of purchases or remains a customer for a specified time period. The change in accounting means that vendor monies which support the Company's advertising programs are now being recorded as a reduction in the cost of inventory, and are recognized as a reduction of cost of goods sold when the inventory is sold. Previously, they were accounted for as an offset to advertising costs. This accounting change results in a timing difference as to when these monies are recognized in the Company's income statement. The prospective adoption of EITF 02-16 reduced the Company's first quarter net income by \$1.0 million or \$0.05 per share. The change increased gross margin by \$1.1 million, increased selling, general and administrative costs by \$2.7 million, and decreased inventory by \$1.6 million.

Edgar Filing: A C MOORE ARTS & CRAFTS INC - Form 10-Q

(5) Stock-Based Compensation

The Company accounts for its employee stock options using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25). Compensation cost for stock options is measured as the excess of the quoted market price of the Company's stock at the date of grant over the amount an employee must pay to acquire the stock.

Had compensation cost for the Company's stock-based compensation plan been determined based on the fair value at the grant date for awards under those plans, consistent with the requirements of SFAS No. 123, "Accounting for Stock-Based Compensation," net income and earnings per share would have been reduced to the following pro-forma amounts:

		THREE MONTHS ENDED MARCH 31	
		2004	2003
Net income.....	As reported	\$ 1,204,000	\$ 420,000
	Compensation cost, net	438,000	277,000
	Pro forma	766,000	143,000
Basic earnings per share.....	As reported	\$.06	\$.02
	Pro forma	.04	.01
Diluted earnings per share.....	As reported	\$.06	\$.02
	Pro forma	.04	.01

The pro forma results may not be representative of the effects on reported operations for future years. The fair value of the options was calculated using a Black-Scholes options pricing model with the following weighted-average assumptions: risk-free interest rate of 3.2% for 2003, 4.1% for 2002, 5.1% for 2001, 6.3% for 2000 and; no dividend yield; and a weighted average expected life of the options of 4.5 years for 2003 and seven years for 2002, 2001 and 2000. In accordance with the provisions of SFAS No. 123 the expected stock price volatility was 56.0% for 2003, 45.2% for 2002, 48.4% for 2001, and 46.6% for 2000.

The weighted average shares outstanding includes the impact of stock options in the amount of 673,128 for the first quarter of 2004 and 768,924 for the first quarter of 2003. The number of options excluded from the calculation because the options' exercise price was greater than the average market price of the common shares was 316,725 shares in 2004 and 316,350 shares in 2003.

(6) Long-Term Debt

On October 28, 2003 we signed two mortgage agreements with Wachovia Bank relating to the new corporate offices and distribution center. The mortgages make available \$30.0 million and are secured by land, building, and equipment. Borrowings under the mortgages are repayable at between seven and 15 years and will bear interest rates that will vary between LIBOR plus 85 basis points and LIBOR plus 135 basis points, depending on the debt service coverage ratio and the length of the mortgage payment. We have the option of fixing the interest rate at any time. At March 31, 2004 there was \$10.0 million outstanding under these mortgages.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis contains certain forward-looking statements. These forward-looking statements do not constitute historical facts and involve risks and uncertainties. Actual results could differ materially from those referred to in the forward-looking statements due to a number of factors, including, but not limited to, the following: the impact of the adoption of EITF Issue 02-16, customer demand, the effect of economic conditions, the impact of adverse weather conditions, the impact of competitors' locations or pricing, the availability of acceptable real estate locations for new stores, difficulties with respect to new information system technologies, supply constraints or difficulties, the effectiveness of advertising strategies and the impact of the threat of terrorist attacks and war. For additional information concerning factors that could cause actual results to differ materially from the information contained herein, reference is made to the information under the heading "Cautionary Statement Relating to Forward-Looking Statements" in our Annual Report on Form 10-K as filed with the Securities and Exchange Commission.

Due to the importance of our peak selling season, which includes Fall/Halloween, Thanksgiving and Christmas, the fourth quarter has historically contributed, and we expect it will continue to contribute, disproportionately to our profitability for the entire year. As a result, our quarterly results of operations may fluctuate. In addition, results of a period shorter than a full year may not be indicative of results expected for the entire year.

Our quarterly results of operations also may fluctuate based upon such factors as the length of holiday seasons, the date on which holidays fall, the number and timing of new store openings, the amount of store pre-opening expenses, the amount of net sales contributed by new and existing stores, the mix of products sold, the amount of sales returns, the timing and level of markdowns and other competitive factors.

Starting in 2004, vendor monies which support our advertising programs are now being recorded as a reduction in the cost of inventory, and are being recognized as a reduction to cost of goods sold when the inventory is sold. Through 2003, they were accounted for as an offset to advertising costs. This accounting change results in a timing difference as to when these monies are recognized in our income statement. The accounting change related to the adoption of EITF 02-16 reduced our first quarter net income by \$1.0 million or \$0.05 per share.

The Financial Accounting Standards Board is working on a project to develop a new standard for accounting for stock-based compensation. Tentative decisions by the FASB indicate that expensing of stock options will be required beginning January 1, 2005. The FASB issued an exposure draft, which is subject to public comment, in the first quarter 2004 and expects to issue its final standard in the second half of 2004.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, selected statement of operations data expressed as a percentage of net sales and the number of stores open at the end of each such period:

Edgar Filing: A C MOORE ARTS & CRAFTS INC - Form 10-Q

	Three months ended March 31,	
	2004	2003
Net sales.....	100.0%	100.0%
Cost of Sales.....	62.4%	63.5%
Gross margin.....	37.6%	36.5%
Selling, general and administrative expenses.....	35.4%	35.4%
Store pre-opening expenses.....	0.5%	0.4%
Income from operations.....	1.7%	0.7%
Net interest (income).....	(0.1)%	(0.1)%
Income before income taxes.....	1.8%	0.8%
Income tax expense.....	0.7%	0.3%
Net income.....	1.1%	0.5%
Number of stores open at end of period.....	84	73

Three Months Ended March 31, 2004 Compared to Three Months Ended March 31, 2003

NET SALES. Net sales increased \$19.5 million, or 21.2%, to \$111.5 million in the three months ended March 31, 2004 from \$92.0 million in the comparable 2003 period. This increase is comprised of (i) net sales of \$1.7 million from three new stores opened in 2004, (ii) net sales of \$9.2 million from stores opened in 2003 not included in the comparable store base, and (iii) a comparable store sales increase of \$8.6 million, or 9.4%. Sales during the quarter ended March 31, 2004 benefited from positive weather conditions compared with the quarter ended March 31, 2003. Stores are added to the comparable store base at the beginning of the fourteenth full month of operation.

GROSS MARGIN. Gross margin is net sales minus the cost of merchandise and certain distribution and purchasing costs. The gross margin increased to 37.6% of net sales in the three months ended March 31, 2004 from 36.5% in the three months ended March 31, 2003. The impact of the change in accounting in accordance with EITF 02-16 represented 1.0 percentage point of the 1.1% increase. The remaining difference is due to less aggressive promotions then occurred last year.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses include (a) direct store level expenses, including rent and related operating costs, payroll, advertising, depreciation and other direct costs, and (b) corporate level costs not directly associated with or allocable to cost of sales including executive salaries, accounting and finance, corporate information systems, office facilities and other corporate expenses.

Selling, general and administrative expenses increased \$6.9 million, or 21.3%, in the three months ended March 31, 2004 to \$39.5 million from \$32.6 million in the three months ended March 31, 2003. Of the increase \$2.7 million represents the impact of the accounting change in accordance with EITF 02-16.

The remainder of the increase is principally accountable from stores opened in 2004 which were not open during 2003 and the stores opened in 2003 not in the comparable store base. As a percentage of sales, selling, general and administrative costs was 35.4% of net sales in both the three months ended March 31, 2004 and March 31, 2003. The impact of the accounting change was 2.4% of net sales. Other selling, general and administrative costs decreased 2.4% in the three months ended March 31, 2004 compared with the three months ended March 31, 2003. This decrease came from leveraging our store costs due to our sales increase and leveraging our corporate office costs over a greater sales base. Corporate office costs were reduced to 3.9% of sales in the three months ended March 31, 2004 compared with 4.1% in the same period in the prior year.

STORE PRE-OPENING EXPENSES. We expense store pre-opening expenses as incurred. Pre-opening expenses for the three new stores opened in the first quarter of 2004 and the store we relocated amounted to \$566,000. In the first quarter of 2003, we incurred store pre-opening expenses of \$379,000 related to the two stores opened in that quarter.

NET INTEREST (INCOME). In the first quarter of 2004, we had net interest income of \$120,000 compared with net interest income of \$109,000 in 2003.

INCOME TAXES. Our effective income tax rate was 38.5% for the first quarter ended March 31, 2004 and 38.2% for the first quarter ended March 31, 2003.

LIQUIDITY AND CAPITAL RESOURCES

Our cash is used primarily for working capital to support inventory requirements and capital expenditures, pre-opening expenses and beginning inventory for new stores. In recent years, we have financed our operations and new store openings primarily with cash from operations, the net proceeds we received from our initial public offering in 1997 and from a secondary offering in 2002. In the first quarter of 2004 we began borrowing monies under two mortgage agreements we have with Wachovia Bank to finance our new corporate offices and distribution center.

At March 31, 2004 and December 31, 2003 our working capital was \$120.2 million and \$112.8 million, respectively. Cash used in operations was \$4.2 million for the three months ended March 31, 2004 as a result of an increase in inventory of \$3.1 million to support the new stores and a reduction in income tax payables of \$5.1 million.

Net cash used in investing activities during the three months ended March 31, 2004 was \$13.7 million, \$14.0 million for capital expenditures. In 2004, we expect to spend approximately \$39.0 million on capital expenditures, which includes approximately \$27.0 million related to the building, equipment and systems for our new distribution center, \$8.0 million for new store openings, and the remainder for remodeling existing stores, upgrading systems in existing stores, and corporate systems development. The total cost of the new distribution center is estimated to be \$44.0 million.

On October 28, 2003 we signed two mortgage agreements with Wachovia Bank relating to the new corporate offices and distribution center. The mortgages make available \$30.0 million and are secured by land, building, and equipment. Borrowings under the mortgages are repayable at between seven and 15 years and

Edgar Filing: A C MOORE ARTS & CRAFTS INC - Form 10-Q

will bear interest rates that will vary between LIBOR plus 85 basis points and LIBOR plus 135 basis points, depending on the debt service coverage ratio and the length of the mortgage payment. We have the option of fixing the interest rate at any time. At March 31, 2004 there was \$10.0 million outstanding under these mortgages.

10

We currently have a \$25.0 million line of credit agreement with Wachovia Bank, which expires on January 1, 2005. Borrowing under this line will bear interest at LIBOR plus 95 basis points. At March 31, 2004 there were no borrowings outstanding under this agreement.

We believe the cash generated from operations during the year, funds received through the financing of the new distribution center and available borrowings under the credit agreement (which we intend to renew) will be sufficient to finance our working capital and capital expenditure requirements for at least the next 12 months.

CHANGE IN ACCOUNTING PRINCIPLE

The costs incurred for advertising are expensed the first time the advertising takes place, and are offset by re-imburements received under cooperative advertising programs with certain vendors. Co-op advertising funds are only recognized when we have performed our contractual obligation under a co-op advertising agreement.

For all vendor contracts entered into or modified after December 31, 2002, the Company has adopted Emerging Issues Task Force (EITF) 02-16, Accounting by a Customer (including a Reseller) for Cash Consideration Received from a Vendor. EITF 02-16 addresses the accounting for cash consideration received by a customer from a vendor (e.g., slotting fees, cooperative advertising payments, buydowns) and rebates or refunds from a vendor that is payable only if the customer completes a specified cumulative level of purchases or remains a customer for a specified time period. The change in accounting means that vendor monies which support our advertising programs are now being recorded as a reduction in the cost of inventory, and are recognized as a reduction of cost of goods sold when the inventory is sold. Previously, they were accounted for as an offset to advertising costs. This accounting change results in a timing difference as to when these monies are recognized in our income statement. The adoption of EITF 02-16 reduced our first quarter net income by \$1.0 million or \$0.05 per share. For the full year 2004, we estimate that the change in the timing of income recognition will reduce EPS by approximately \$0.12 per share.

The adoption of this issue does not change the ultimate cash to be received under these agreements, only the timing of when it is reflected in our net income.

CRITICAL ACCOUNTING ESTIMATES

Except for the change in accounting principle described above, our accounting policies are fully described in Note 1 of our notes to consolidated financial statements included in our annual report on Form 10-K for the fiscal year ended December 31, 2003. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the amounts reported in our consolidated financial statements and accompanying notes. Since future events and their effects cannot be determined with absolute certainty, actual results may differ from those estimates. Management makes adjustments to

Edgar Filing: A C MOORE ARTS & CRAFTS INC - Form 10-Q

its assumptions and judgments when facts and circumstances dictate. The amounts currently estimated by us are subject to change if different assumptions as to the outcome of future events were made. We evaluate our estimates and judgments on an ongoing basis and predicate those estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances. Management believes the following critical accounting estimates encompass the more significant judgments and estimates used in preparation of our consolidated financial statements:

- o merchandise inventories;

11

- o impairment of long-lived assets;
- o income taxes; and
- o other estimates.

The foregoing critical accounting estimates are more fully described in our annual report on Form 10-K for the fiscal year ended December 31, 2003. During the quarter ended March 31, 2004, we did not make any material changes to our estimates or methods by which estimates are derived with regard to our critical accounting estimates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not Applicable.

ITEM 4. CONTROLS AND PROCEDURES

Our management, with the participation of our chief executive officer and chief financial officer, conducted an evaluation as of the end of the period covered by this report, of the effectiveness of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e). Based on that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective in reaching a reasonable level of assurance that management is timely alerted to material information relating to us during the period when our periodic reports are being prepared. During the quarter ended March 31, 2004, there has not occurred any change in our internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f), that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

12

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Not Applicable.

ITEM 2. CHANGES IN SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASERS OF EQUITY SECURITIES

Edgar Filing: A C MOORE ARTS & CRAFTS INC - Form 10-Q

Not Applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 5. OTHER INFORMATION

Not Applicable.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act").

31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) promulgated under the Exchange Act.

32 Certification of the Company's 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.

(b) Reports on Form 8-K furnished in the quarter ended March 31, 2004:

8-K, Item 12, furnished on January 8, 2004 regarding a Company press release concerning earnings and other information.

8-K, Item 12, furnished on February 25, 2004 regarding a Company press release concerning earnings and other information.

13

SIGNATURES

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 thereunto duly authorized.

A.C. MOORE ARTS & CRAFTS, INC.

Date: May 7, 2004

By: /s/ John E. Parker

John E. Parker
Chief Executive Officer
(duly authorized officer and
principal executive officer)

Date: May 7, 2004

By: /s/ Leslie H. Gordon

Edgar Filing: A C MOORE ARTS & CRAFTS INC - Form 10-Q

Leslie H. Gordon
Executive Vice President
and Chief Financial Officer
(duly authorized officer
and principal financial officer)

14

Exhibit Index

Exhibit No. -----	Description -----
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) promulgated under the Exchange Act.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) promulgated under the Exchange Act.
32	Certification of the Company's 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.