WOMENS GOLF UNLIMITED INC
Form 10-Q
May 14, 2003

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended March 30, 2003.

[ ] 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: 0-14146

WOMEN'S GOLF UNLIMITED, INC.

(Exact Name of Registrant as Specified in its Charter)

New Jersey	22-2388568
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
18 Gloria Lane, Fairfield, NJ	07004
(Address of Principal Executive Office)	(Zip Code)

(973) 227-7783

(Registrant's telephone number, including area code)

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

On March 30, 2003, 3,227,215 shares of common stock, $.01 par value, were issued and outstanding.

WOMEN'S GOLF UNLIMITED, INC.
FORM 10-Q

For Quarterly Period Ended March 30, 2003

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WOMEN'S GOLF UNLIMITED, INC.
BALANCE SHEETS
AS OF MARCH 30, 2003 (UNAUDITED)
AND DECEMBER 31, 2002

	March 30, 2003
ASSETS	
Current Assets	
Cash	$ 3,580
Accounts Receivable - Net	3,351,174
Inventories	3,960,848
Prepaid Expenses	49,607
Deferred Income Taxes	195,000
Total Current Assets	7,560,209
Plant and Equipment - Net	213,410

Deferred Income Taxes	56,000
Intangible Asset - Net	2,829,936
Other Assets - Net	87,622
Total Assets	$ 10,747,177
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current Liabilities	
Current Portion Long Term Debt	$ 125,602
Obligation under Capital Lease, Current Portion	34,250
Short-term Borrowings	4,456,401
Accounts Payable	412,823
Accrued Expenses	446,836
Total Current Liabilities	5,475,912
Long-Term Liabilities	
Obligation under Capital Lease, less Current Portion	51,070
Total Liabilities	5,526,982
Shareholders' Equity	
Common Stock, $.01 Par; 12,000,000 Shares Authorized: 3,227,215 & 3,227,215 Issued & Outstanding at March 30, 2003 and December 31, 2002, respectively	32,272
Additional Paid in Capital	6,354,274
Accumulated Deficit	(1,166,351
Total Shareholders' Equity	5,220,195
Total Liabilities and Shareholders' Equity	$ 10,747,177

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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WOMEN'S GOLF UNLIMITED, INC.
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED
MARCH 30, 2003 AND MARCH 31, 2002
(UNAUDITED)

Net Sales	$
Cost of Goods Sold	

Gross Profit	
Operating Expenses:	
Selling	
General & Administrative	
Total Operating Expenses	
Operating Income (Loss)	
Other Income (Expense)	
Interest Expense	
Other	
Income (Loss) Before Income Taxes	
Provision (Benefit) for Income Taxes	
Income (Loss) before Cumulative Effect of Accounting Change	
Cumulative Effect of Accounting Change, Net of Tax	
Net (Loss) Income	
Earnings per Common Share from before Cumulative Effect Of Accounting Change	Basic
	Diluted
Cumulative Effect of Accounting Change	Basic
	Diluted
Loss Per Share	Basic
	Diluted
Weighted Average Number of Common Shares Outstanding -	Basic
	Diluted

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

WOMEN'S GOLF UNLIMITED, INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED
MARCH 30, 2003 AND MARCH 31, 2002
(UNAUDITED)

OPERATING ACTIVITIES	
Net Loss	$
Adjustments to Reconcile Net Loss to	
Net Cash (Used By) Operating Activities:	
Goodwill Impairment	
Depreciation	
Amortization	
Deferred Income Taxes	
Bad Debt Expense	
Changes in Assets and Liabilities:	
Accounts Receivable	
Inventories	
Prepaid Expenses	
Other Assets	
Accounts Payable	
Accrued Expenses	
NET CASH USED BY OPERATING ACTIVITIES	
INVESTING ACTIVITIES	
Purchases of Equipment	
Proceeds from Disposal of Plant & Equipment	
NET CASH PROVIDED BY(USED BY) INVESTING ACTIVITIES	
FINANCING ACTIVITIES	
Repayments of long-term debt	
Proceeds from Revolving Line of Credit, Net	
NET CASH PROVIDED BY FINANCING ACTIVITIES	
INCREASE (DECREASE) IN CASH	
CASH - BEGINNING OF PERIOD	
CASH - END OF PERIOD	$

SUPPLEMENTAL CASH FLOW DISCLOSURES

Cash Paid During the Period For:	
Interest	$
Income Taxes	$

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited financial statements of Women's Golf Unlimited, Inc., (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial reporting. In the opinion of management, all material adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 30, 2003 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2003. The unaudited financial statements and related notes are presented as permitted by Form 10-Q and do not contain certain information included in the Company's annual financial statements and notes thereto. For further information, refer to the Company's annual financial statements and notes thereto included in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2002.

As of March 30, 2003, the Company had a working capital surplus of approximately $2,048,000 and an accumulated deficit of approximately $1,166,000. For the period ended March 30, 2003, the Company has incurred a loss of approximately $62,000 and used cash in operations of approximately $1,504,000. In addition, the Company's remaining availability on its line of credit is approximately $286,000.

Management's near and long-term operating strategies focus on exploiting existing and potential competitive advantages while eliminating or mitigating competitive disadvantages. In response to current market conditions and a part of its ongoing corporate strategy, the Company is pursuing several initiatives, such as expanding its presence in key markets and aggressive cost cutting programs. These initiatives are intended to increase liquidity and better position the Company to compete under current market conditions.

1) EARNINGS (LOSS) PER SHARE

Basic earnings per share ("EPS") excludes dilution and is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if stock options or other contracts to issue common stock were exercised and resulted in the issuance of common stock that then shared in the earnings of the Company. Diluted EPS is computed using the treasury stock method when the effect of common stock equivalents would be dilutive. The only reconciling item between the denominator used to calculate basic EPS and the denominator used to calculate diluted EPS is the dilutive effect of stock options issued to employees of the Company and other parties. The Company has issued no other potentially dilutive common stock equivalents.

2) STOCK BASED COMPENSATION

In December 2002, the Financial Accounting Standards Board (FASB) issued Statements of Financial Accounting Standards (SFAS) No. 148, Accounting for Stock Based Compensation. SFAS No. 148 amends SFAS No. 123, to provide alternative methods of transition for a

voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this Statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company has implemented SFAS No. 148. Due to the insignificant effect on the financial statements, interim disclosure is not presented.

INVENTORIES

Inventories are valued at the lower of cost, determined on the basis of the first-in, first-out method, or market.

Inventories at March 30, 2003 and December 31, 2002 consisted of the following components:

	3/30/03	12/31/02
Raw Materials	$ 712,953	$ 673,565
Finished Goods	3,247,895	3,068,461
	$3,960,848	$3,742,026

SHORT TERM BORROWINGS

The Company has a secured revolving line of credit allowing a maximum credit limit of $8,000,000, less 50% of the aggregate face amount of all outstanding letters of credit, and subject to various borrowing bases through September 30, 2003. The availability of funds under this line of credit varies as it is based, in part, on a borrowing base of 80% of eligible accounts receivable and 60% of qualified inventory. Substantially all of the Company's assets are used as collateral for the credit line. Interest rates are at prime plus one-quarter percent, paid monthly; the interest rate was 4.50% as of March 30, 2003 and December 31, 2002. The Company's remaining availability on the line of credit, as of March 30, 2003 was approximately $ 286,000.

The credit facility contains certain covenants, which, among other items, require the maintenance of certain financial ratios including tangible net worth and working capital. Any event of default under the credit facility permits the lender to cease making additional loans there-under. The Company was in compliance with all covenants and conditions of the facility as of March 30, 2003.

QUARTERLY ENDS

The Company reports its interim financial statements as of the Sunday closest to month-end of the quarter. Therefore, the interim quarters for fiscal 2003 will end on March 30, 2003, June 29, 2003 and September 28, 2003. The Company reports its year-end financial statements as of December 31.

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

RESULTS OF OPERATIONS

Net Sales for the three-months ended March 30, 2003 were $2,773,646 compared to $3,622,795 for the same period in 2002. Management attributes this 23.4% decrease for the three-month period to the softness in the equipment industry caused by the general economic slowdown and bad weather in parts of the country in the spring. The Square Two brand was down 31.1% and the NancyLopezGolf brand was down 33.4% for the three-months ended March 30, 2003. The

Lady Fairway shoe brand had increased sales of 18.1% for the three-months ended March 30, 2003. This increase was the result of better price points, better styling and better fit.

Gross profit as a percentage of sales for the three-month period ended March 30, 2003 was 34.9% as compared to 40.2% for the same period in 2002. The decrease in gross margins was primarily the result of lower production in the first quarter resulting in lower overhead absorption due to lower volume.

Selling expenses for the three-month period ended March 30, 2003 was $532,888 compared to $661,267 for the same period in 2002. The three-month decrease of approximately $128,000 is a result of a decrease in advertising, reduced national show expense as well as a reduction in commissions, due to decreased sales.

General and Administrative expenses for the three-month period ended March 30, 2003 was $522,428 compared to $559,237 the same period in 2002. The three-month decrease are mainly decreased legal and professional fees as well as a reduction to bad debt expense.

Interest expense for the three-month period ended March 30, 2003 was $50,015 compared to $71,968 for the same period in 2002. The average loan balance for the three-month period ended March 30, 2003 was $4,243,792 compared to $4,335,575 for the same period in 2002. The decrease in the average outstanding balance resulted mainly from better management of inventories and receivables. Interest rates for the three-month period ended March 30, 2003 were lower than the same period in 2002, therefore decreasing the interest paid on the term loan and line of credit. In addition, in 2002 interest was paid on a promissory note that was paid in full as of December 31, 2002.

Other income (expense) for the three-month period ended March 30, 2003 was $33,678 compared to $35,107 for the same period in 2002. This decrease is due to a decrease in royalty income from international distributors.

The provision for income taxes for the three-month period ended March 30, 2003 was ($43,050) compared to $69,052 for the same period in 2002. This decrease is mainly the result of the Company's reduced income before taxes in 2003.

The Company's net income (loss) for the three-month period ended March 30, 2003 was ($61,806) compared to $130,800 for the same period in 2002. The decrease in net income for the three-months ended March 30, 2003 was a result of decreased net revenue as well as decreased margins, offset by reduced selling of approximately $128,000, general and administrative expense $37,000 and interest $21,000.

FINANCIAL CONDITION AND LIQUIDITY

The Company's working capital increased by $7,819 for the three-month period ended March 30, 2003, compared to December 31, 2002. Current assets increased by $1,255,824 and current liabilities increased $1,248,005. Accounts receivable increased by approximately $1,033,000 and inventory increased by $219,000, which was typical for the Company due to the cyclical nature of the golf industry. In addition, Prepaid expenses decreased approximately $14,000, while deferred taxes increased $18,000. The short-term borrowings of the Company increased by approximately $1,598,000. In addition, accounts payable decreased by approximately $476,000 and accrued expenses increased approximately $202,000 for the three-month period ended March 30, 2003.

Cash used by operations was $1,503,718 for the three-month period ended March 30, 2003, compared to $402,984 for the same period ended March 31, 2002. Cash provided by financing activities totaled $1,511,310 for the three-months ended March 30, 2003, compared to $393,700 for the same period ended March 31, 2002. During the three-month period ended March 30, 2003, cash used for the payment of equipment purchased was $7,563 compared to cash provided for the disposal of equipment purchased was $1,967 for the same period ended March 31, 2002. Cash paid for interest charges on short and long-term borrowing was $42,663 and $58,527 for the three-month periods ended March 30, 2003 and March 31, 2002, respectively.

CRITICAL ACCOUNTING POLICIES

The Company's accounting policies and practices are described in Note 1 to the financial statements included herein, "Summary of Significant Accounting Policies." Application of the Company's accounting policies requires judgments by management and incorporates expectations about future events. The Company has established reserves and accruals for possible losses on collection of accounts receivable as well as on obsolete inventory. Management uses all available facts and circumstances in establishing such accruals or reserves.

CALCULATION OF ALLOWANCES FOR DOUBTFUL ACCOUNTS

Management reviews on a revolving basis a schedule listing each customer account containing balances that are 90 or more days past due, and determines whether collection of each outstanding balance is anticipated. If collection is anticipated, no reserve for such account is established. If collection is questionable, management applies a reserve of between 20% and 100% of the total amount due. In determining whether to apply a reserve and if so, the amount of such reserve, management draws on its knowledge of the progress of internal collection efforts, the customer's payment history, and other information about the customer. Management also applies a reserve of 2% of accounts receivable that are up to 90 days past due.

CALCULATION OF RESERVES FOR OBSOLESCENCE

Periodically management reviews all inventory for the purpose of evaluating current reserves for obsolescence, which is determined on the basis of historical and current sales of each product, inventory level, and other factors. A reserve of between 10% and 90% of present book value is assigned for all questionable inventory, to which is added an additional miscellaneous amount.

Certain information in the preceding "Management's Discussion and Analysis of

Financial Condition and Results of Operations" constitutes forward-looking information that involves certain risks and uncertainties.

ACCOUNTS RECEIVABLE

The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based on a history of past write-offs, collections and current credit conditions. Accounts are written off as un-collectible on a case-by-case basis.

INVENTORIES

Inventories are valued at the lower of cost, determined on the basis of the first-in, first-out method, or market. Inventories consist of materials, labor and manufacturing overhead.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Within 90 days prior to the date of this Quarterly Report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer/Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer/Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective. There are no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

Disclosure controls and procedures are the controls and other procedures of the Company that are designed to ensure that the information required to be disclosed by the Company in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, with limitation, controls and procedures designed to ensure that information required to be disclosed by the Company, in its reports filed under the Exchange Act is accumulated and communicated to the Company's management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding disclosure.

The Company's exposure to market risks is limited to interest rate risks associated with the variable interest rates on its revolving line of credit and term loan. Changes in the interest rates affect the Company's earnings and cash flows, but not the fair value of the Company's debt instruments. If the indebtedness outstanding at December 31, 2002 were to remain constant, a 1.0% increase in interest rates occurring on January 1, 2003 would result in an increase in interest expense for the following 12 months of approximately $42,449. There have been no material changes in the market risks faced by the Company since December 31, 2002.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) The exhibits listed on the attached Exhibit Index are filed as part of this report.
(b) The Company filed no reports on for 8K during the quarter for which

this report is filed.

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.

WOMEN'S GOLF UNLIMITED, INC.

05/14/2003	/s/ Douglas A. Buffington
Dated	By: Douglas A. Buffington Director, President, Chief Financial Officer, Chief Operating Officer and Treasurer

CERTIFICATION

I, Douglas A Buffington, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Women's Golf Unlimited, Inc.

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. 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-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date");

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

/s/Douglas A. Buffington

Director, President, Chief Financial Officer,
Chief Operating Officer and Treasurer

CERTIFICATION

I, Robert L. Ross, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Women's Golf Unlimited, Inc.

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. 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-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date");

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

/s/Robert L. Ross

Chairman of the Board and Chief Executive Officer

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT*
3.1	Amended and Second Restated Certificate of Incorporation of the registrant dated June 28, 1991 (incorporated by reference to Exhibit 3.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1991).
3.2	Certificate of Amendment to the Amended and Second Restated Certificate of Incorporation of the registrant (incorporated by reference to Exhibit 99.0 to the registrant's current report on Form 8-K reporting the event dated June 12, 2001).
3.3	Amended and Restated By-laws of the registrant dated December 6, 1991 (incorporated by reference to Exhibit 3.2 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1991).
4.1	Common Stock Purchase Warrant in favor of Wesmar Partners dated February 28, 1988 (incorporated by reference to Exhibit 4.4 of the registrant's Registration Statement No. 33-37371 on Form S-3).
4.2	Common Stock Purchase Warrant in favor of Wesmar Partners dated February 28, 1988 (incorporated by reference to Exhibit 4.5 of the registrant's Registration Statement No. 33-37371 on Form S-3).
4.3	Stock Option Agreement between the registrant and Wesmar Partners dated February 29, 1988 (incorporated by reference to Exhibit 4.6 of the registrant's Registration Statement No. 33-37371 on Form S-3).
10.0	Loan and Security Agreement between the registrant and Midlantic Bank, National Association dated December 29, 1994 (incorporated by reference to Exhibit 99 of the registrant's Current Report on Form 8-K dated December 26, 1994).
10.1	First Amendment to Loan and Security Agreement between the registrant and Midlantic Bank, National Association made as of April 9, 1996 (incorporated by reference to Exhibit 10.1 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
10.2	Second Amendment to Loan and Security Agreement between registrant and PNC Bank, National Association as successor in interest of Midlantic Bank, National Association made as of December 1, 1997 (incorporated by reference to Exhibit 10.12 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1997).
10.3	Fourth Amendment to Loan and Security Agreement between the registrant and PNC Bank, National Association dated as of July 31, 2000 (incorporated by reference to Exhibit 10.14 to the registrant's Registration Statement No. 333-47908 on Form S-4).
10.4	Fifth Amendment to Loan and Security Agreement between the registrant and PNC Bank, National Association made of January 3, 2001 (incorporated by reference to Exhibit 10.4 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).

10.5	Sixth Amendment to Loan and Security Agreement between the registrant and PNC Bank, National Association made as of August 13, 2001 (incorporated by reference to Exhibit 10.20 of the registrant's Quarterly Report on Form 10-Q for the quarter ended September 28, 2001).
10.6	Replacement Promissory Note of the registrant in favor of James E. Jones dated December 29, 2000 and letter agreement in connection with same (incorporated by reference to Exhibit 10.6 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2001).
10.7	Lease between the registrant and Kobrun Investments, III, L.L.C. dated August 30, 2001 (incorporated by reference to Exhibit 10.7 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2001).
10.8	Amended and Restated Licensing Agreement between Ladies Professional Golf Association and the registrant dated January 1, 1999 (incorporated by reference to Exhibit 10.2 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1999).
10.9	Endorsement Agreement between the registrant and Kathy Whitworth dated October 13, 1999 (incorporated by reference to Exhibit 10.13 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1999).
10.10	Licensing Agreement between Nancy Lopez Enterprises, Inc. and the registrant made as of July 31, 2000 (incorporated by reference to Exhibit 10.10 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
10.11	License Agreement between the registrant and Raymond Lanctot Ltee/Ltd. dated June 28, 1999 (incorporated by reference to Exhibit 10.12 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1999).
10.12	Asset Purchase Agreement among the registrant, APGC Holdings Company, LLC and The Arnold Palmer Golf Company dated July 31, 2000 (incorporated by reference to Exhibit 2.0 to the registrant's Current Report on Form 8-K reporting the event dated July 31, 2000).
10.13	Agreement and Plan of Reorganization, dated as of June 22, 2000, among the registrant, S2 Golf Acquisition Corp., Ladies Golf Equipment Company, Inc., James E. Jones and Brian Christopher (incorporated by reference to Exhibit 2.0 of the registrant's Registration Statement No. 333-47908 on Form S-4).
10.14	1992 Stock Plan for Independent Directors of S2 Golf Inc. dated December 29, 1992 (incorporated by reference to Exhibit 10.11 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1992).
10.15**	1998 Employee Stock Plan of the registrant (incorporated by reference to Exhibit 10.15 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
10.16**	Agreement between the registrant and Randy A. Hamill dated January 2, 1997 (incorporated by reference to Exhibit 10.10 to the registrant's Annual Report on Form 10-K for the year ended December

31, 1997).

10.17**	Employment Agreement between the registrant and Douglas A. Buffington, made April 3, 2001 and effective as of January 1, 2001 (incorporated by reference to Exhibit 10.17 of the registrant's Quarterly Report on Form 10-Q for the quarter ended March 30, 2001).
10.18**	Consulting Services Agreement between the registrant and MR & Associates made as of December 15, 2000, effective as of January 1, 2000 (incorporated by reference to Exhibit 10.18 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
10.19**	Employment Agreement among the registrant, S2 Golf Acquisition Corp. and James E. Jones dated as of January 1, 2001 (incorporated by reference to Exhibit 10.19 of the registrant's Annual Report on Form 10-K for the year December 31, 2000).
10.20	Agreement and Plan of Merger between the registrant and its wholly-owned subsidiary S2 Golf Acquisition Corp. dated as of June 15, 2001 (incorporated by reference to Exhibit 10.20 of the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001).
10.21	Sixth Amendment to Loan and Security Agreement between the registrant and PNC Bank, National Association made as of August 13, 2001 (incorporated by reference to Exhibit 10.21 of the registrant's Quarterly Report on Form 10-Q for the quarter ended September 28, 2001)
99.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.
99.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.

* In the case of incorporation by reference to documents filed by the registrant under the Exchange Act, the registrant's file number under the Act is 0-14146.

** Management contract or management compensatory plan or arrangement.