WOMENS GOLF UNLIMITED INC
Form 10-Q
August 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 June 29, 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 ___

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

YES ___ NO X

On August 14, 2003, 3,229,031 shares of common stock, $.01 par value, were issued and outstanding.

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

For Quarterly Period Ended JUNE 29, 2003

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WOMEN'S GOLF UNLIMITED, INC.
BALANCE SHEETS
AS OF JUNE 29, 2003 (UNAUDITED)
AND DECEMBER 31, 2002 (AUDITED)

	June 29, 2003	December 31, 2002

ASSETS		
Current Assets		
Cash	$ 6,007	$ 3,551
Accounts Receivable - Net	2,856,037	2,318,286
Inventories	4,529,434	3,742,026
Prepaid Expenses	76,632	63,522
Deferred Income Taxes	223,000	177,000
Total Current Assets	7,691,110	6,304,385
Plant and Equipment - Net	187,247	231,898
Deferred Income Taxes	94,000	61,000
Intangible Assets - Net	2,810,603	2,925,023
Other Assets - Net	49,745	49,745
Total Assets	$ 10,832,705	$ 9,572,051
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current Portion Long Term Debt	$ 50,000	$ 202,413
Obligation under Capital Lease, Current Portion	33,537	33,537
Short-term Borrowings	3,608,612	2,857,920
Accounts Payable	1,084,862	889,150
Accrued Expenses	520,548	244,887
Total Current Liabilities	5,297,559	4,227,907
Long-Term Liabilities		
Obligation under Capital Lease, less Current Portion	41,423	62,143
Total Liabilities	5,338,982	4,290,050
Shareholders' Equity		
Common Stock, $.01 Par; 12,000,000 Shares Authorized; 3,227,215 Issued & Outstanding at June 29, 2003 and December 31, 2002	32,272	32,272
Additional Paid in Capital	6,354,274	6,354,274
Accumulated Deficit	(892,823)	(1,104,545
Total Shareholders' Equity	5,493,723	5,282,001
Total Liabilities and Shareholders' Equity	$ 10,832,705	$ 9,572,051

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

WOMEN'S GOLF UNLIMITED, INC.
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED
JUNE 29, 2003 AND JUNE 30, 2002
(UNAUDITED)

	June 29, 2003	June 30, 2002
Net Sales	$ 3,568,676	$ 3,914,338
Cost of Goods Sold	2,079,466	2,217,112
Gross Profit	1,489,210	1,697,226
Operating Expenses:		
Selling	599,979	686,005
General & Administrative	530,472	574,860
Total Operating Expenses	1,130,451	1,260,865
Operating Income	358,759	436,361
Other Income (Expense)		
Interest Expense	(51,307)	(74,660
Other Income	167,299	187,910
	115,992	113,250
Income Before Income Taxes	474,751	549,611
Provision for Income Taxes	201,223	217,246
Net Income	$ 273,528	$ 332,365
Earnings per Common Share		
Basic	$ 0.08	$ 0.10
Diluted	$ 0.08	$ 0.10
Weighted Average Number of Common Shares Outstanding -		
Basic	3,227,215	3,225,173
Diluted	3,227,391	3,249,140

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

WOMEN'S GOLF UNLIMITED, INC.
STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED
JUNE 29, 2003 AND JUNE 30, 2002
(UNAUDITED)

		June 29, 2003	J
Net Sales		$ 6,342,322	$
Cost of Goods Sold		3,886,315	
Gross Profit		2,456,007	
Operating Expenses:			
Selling		1,132,867	
General & Administrative		1,052,900	
Total Operating Expenses		2,185,767	
Operating Income		270,240	
Other Income (Expense)			
Interest Expense		(101,322)	
Other Income		200,977	
		99,655	
Income Before Income Taxes		369,895	
Provision for Income Taxes		158,173	
Income before Cumulative Effect of Change in Accounting Principle		211,722	
Cumulative Effect of Change in Accounting Principle, Net of Tax			
Net Income (Loss)		$ 211,722	$(
Earnings per Common Share before Cumulative Effect of Accounting Change	Basic	$ 0.07	$
	Diluted	$ 0.07	$
Cumulative Effect of Change in Accounting Principle	Basic	$ --	$
	Diluted	$ --	$

Earnings (Loss) Per Share	Basic	$ 0.07	$
	Diluted	$ 0.07	$
Weighted Average Number of Common Shares Outstanding -			
	Basic	3,227,215	
	Diluted	3,227,284	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

WOMEN'S GOLF UNLIMITED, INC.
STATEMENTS OF CASHFLOWS
FOR THE SIX MONTHS ENDED
JUNE 29, 2003 AND JUNE 30, 2002
(UNAUDITED)

	June 29, 2003	J
OPERATING ACTIVITIES		
Net Income (Loss)	$ 211,722	$(1
Adjustments to Reconcile Net Income (Loss) to		
Net Cash Provided By (Used In) Operating Activities:		
Depreciation	52,963	
Amortization	107,120	
Goodwill Impairment		1
Deferred Income Taxes	(79,000)	
Bad Debt Expense	122,052	
Changes in Assets and Liabilities:		
Accounts Receivable	(659,803)	
Inventories	(787,408)	
Prepaid Expenses	(13,110)	
Other Assets	7,300	
Accounts Payable	195,712	
Accrued Expenses	275,661	
Other Current and Non-Current Liabilities	0	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(566,791)	
NET CASH USED IN INVESTING ACTIVITIES, Purchases of Equipment	(8,312)	
FINANCING ACTIVITIES		

Repayments of long-term debt	(173,133)	
Proceeds from (Repayment of) Revolving Line of Credit, Net	750,692	
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	577,559	
NET INCREASE (DECREASE) IN CASH	2,456	
CASH - BEGINNING OF PERIOD	3,551	
CASH - END OF PERIOD	$ 6,007	$
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash Paid During the Period For:		
Interest	$ 94,337	$
Income Taxes	$ 44,251	$

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 six months ended June 29, 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.

1) EARNINGS (LOSS) PER SHARE

Basic earnings per share ("EPS") excludes dilution and is computed by dividing net income 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 used in reported results. The Company has implemented SFAS No. 148. Due to the insignificant effect on the financial statements, interim disclosure is not presented.

NEW ACCOUNTING PRONOUNCEMENTS

In April 2003, the FASB issue SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities. SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS 133. The Statement is generally effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003 and should be applied prospectively. The Company is currently evaluating SFAS 149 and has not yet determined the impact of adopting its provisions.

In May 2003, the FASB issued SFAS No. 150, Accounting for Certain Financial Instruments with characteristics of both liabilities and equity. SFAS No. 150 requires certain freestanding

financial instruments, such as mandatorily redeemable preferred stock, to be measured at fair value and classified as liabilities. The adoption of SFAS No. 150 is not expected to have a material effect on the Company's financial position or results of operations.

INVENTORIES

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

Inventories at June 29, 2003 and December 31, 2002 consisted of the following components:

	6/29/03	12/31/02
Raw Materials	$ 815,298	$ 673,565
Finished Goods	3,714,136	3,068,461
	$4,529,434	$3,742,026

SHORT-TERM BORROWINGS

The Company has a secured a 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 4.25% as of June 29, 2003 and 4.5% as of December 31, 2002. The Company's remaining availability on the line of credit, as of June 29, 2003 was approximately $ 1,331,000. The Company is in the process of negotiating a new line of credit.

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 June 29, 2003.

QUARTERLY ENDS

The Company reports its interim financial statements as of the Friday 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 and six-months ended June 29, 2003 were $3,568,676 and $6,342,322, respectively, compared to $3,914,338 and $ 7,537,133 for the same periods in 2002. Management attributes this 15.9% decrease for the six-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 25.9% and the NancyLopezGolf brand was down 17.4% for the six-months ended June 29, 2003. The Lady Fairway shoe brand has

increased sales of 26.2% for the six-months ended June 29, 2003. This increase was the result of an entirely new marketing program highlighting improved styling, retail price points and fit. Net sales for the three-month period ended June 29, 2003 were 8.8% less than the same period in 2002. The Square Two brand was down 9.3%, the NancyLopezGolf brand was up 1.3% and Lady Fairway was down ..6% for the three-months ended June 29, 2003.

Gross profit as a percentage of sales for the three-month and six-month periods ended June 29, 2003 was 41.7% and 38.7%, respectively, as compared to 43.4% and 41.9% for the same periods in 2002. Management attributes this decrease to lower sales volume and an effort by the company to increase sales by offering programs that have lower average selling prices.

Selling expenses for the three-month and six-month periods ended June 29, 2003 were $599,979 and $1,132,867, respectively, compared to $686,005 and $ 1,347,272 for the same periods in 2002. The six-month decrease of approximately $214,000 is a result of a decrease in advertising, national shows expense as well as a reduction in commissions, due to decreased sales, offset by an increase in salaries. The three-month decrease of approximately $86,000 was due a reduction of advertising and commissions, offset by an increase in salaries. The increase in salaries is the result of adding an inside sales team.

General and Administrative expenses for the three-month and six-month periods ended June 29, 2003 were $530,472 and $1,052,900, respectively, compared to $574,860 and $1,134,097 the same periods in 2002. The three-month and six-month decreases are mainly due to a reduction in salaries, professional and legal fees as well as bad debt expense, offset by an increase in insurance and depreciation expense.

Interest expense for the three-month and six-month periods ended June 29, 2003 was $51,307 and $101,322, respectively, compared to $74,660 and $146,628 for the same periods in 2002. The average loan balance for the six-month period ended June 29, 2003 was $4,682,256 compared to $4,817,287 for the same period in 2002. For the three-months ended June 29, 2003, the average loan balance was $4,146,171 compared to $4,028,059 for the same period in 2002. Interest rates for the three-month and six-month periods ended June 29, 2003 are lower than the same periods 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 for the three-month and six-month periods ended June 29, 2003 was $167,299 and $200,977 respectively compared to $187,910 and $223,017 for the same periods in 2002. The three-month period ended June 29, 2003, other income was $187,910 compared to $223,017 for the same period in 2002. This decrease is mainly due to a reduction of royalty income from the Company's European distributor.

The provision for income taxes for the three-month and six-month periods ended June 29, 2003 was $201,223 and $158,173, respectively, compared to $217,246 and $286,298 for the same periods in 2002. This decrease is mainly the result of relatively consistent deferred tax rate applied to a lower net income.

The Company's net income before Cumulative Effect of Accounting Change for the three-month and six-month periods ended June 29, 2003 was $273,528 and $211,722, respectively compared to $332,565 and $463,165 for the same periods in 2002. The decrease in net income before Cumulative Effect of Accounting change for the three-months ended June 29, 2003 was a result of decreased net revenue as well as decreased margins offset by reduced selling of approximately $86,000, general and administrative expense of approximately $45,000 and interest of approximately $24,000. The

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decrease in net income before Cumulative Effect of Accounting change of $251,443 for the six-months ended June 29, 2003 was a result of decreased net revenue offset by a reduction of selling expense of approximately $214,000, reduced general and administrative of approximately $81,000 and reduced interest of approximately $45,000.

FINANCIAL CONDITION AND LIQUIDITY

The Company's working capital increased by $317,073 for the six-month period ended June 29, 2003, compared to December 31, 2002. Current assets increased by $1,386,725 and current liabilities increased $1,069,652. Accounts receivable increased by approximately $538,000 and Inventory increased by $787,000, which was typical for the Company due to the cyclical nature of the golf industry. In addition, Prepaid expenses increased approximately $13,000. The short-term borrowings of the Company increased by approximately $751,000. In addition, accounts payable increased by approximately $196,000 and accrued expenses increased approximately $276,000 for the six-month period ended June 29, 2003.

Cash used by operations was $566,791 for the six-month period ended June 29, 2003, compared to cash provided by operations of $927,907 for the same period ended June 30, 2002. Cash provided by financing activities totaled $577,559 for the six-months ended June 29, 2003, compared to cash used of $892,681 for the same period ended June 20, 2002. During the six-month period ended June 29, 2003, cash used for the payment of equipment purchased was $8,312 compared $42,113 for the same period ended June 30, 2002. Cash paid for interest charges on short and long-term borrowing was $94,337 and $191,437 for the six-month periods ended June 29, 2003 and June 30, 2002, respectively.

CRITICAL ACCOUNTING POLICIES

The Company's accounting policies and practices are described in Note 1 in the Company's financial report on Form 10-K included in, "Summary of Significant Account 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.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company periodically assessed the recoverability of the carrying amounts of long-lived assets, including intangible assets. A loss is recognized when expected undiscounted future cash flows are less than the carrying amount of the asset. The impairment loss is the difference by which the carrying amount of the asset exceeds its fair value.

CONTRACTUAL COMMITMENTS

The Company is obligated under various contractual commitments over the next several years. Following is a summary of those commitments as of December 31, 2002:

	1 YEAR	1-3 YEARS	GREATER THAN 3 YEARS
Note Payable	$ 50,000	$	$
Revolving Line of Credit	3,608,612		
Obligation under Capitalized Lease	33,537	41,423	
Rent	192,489	80,203	
License Agreements	50,000		
Royalties	236,000	454,000	300,000

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 $36,586. There have been no material changes in the market risks faced by the Company since December 31, 2002.

PART II. OTHER INFORMATION

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

The Company's annual meeting was held on June 17, 2003. The only matter voted upon at the meeting was the election of each of the following directors to a one-year term of office:

DIRECTOR	VOTES FOR	VOTES WITHHELD
Douglas A. Buffington	2,823,216	10,270
James E. Jones	2,821,216	12,270
Mary Ann Jorgenson	2,823,916	9,570
Nancy Lopez	2,824,216	9,270
Richard M. Maurer	2,823,666	9,820
Robert L. Ross	2,823,466	10,020
Frederick B. Ziesenheim	2,823,916	9,570

There were no abstentions or broker no-votes.

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.

08/14/2003	/s/ Douglas A. Buffington
Dated	By: Douglas A. Buffington Director, President, Chief Financial Officer, Chief Operating Officer and Treasurer

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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).

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT*
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).

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT*
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)
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15D-14(a)
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15D-14(a)
32	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.
32	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.