WOMENS GOLF UNLIMITED INC
Form 10-Q
August 06, 2002

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 30, 2002.

[ ] 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 June 30, 2002, 3,225,173 shares of common stock, $.01 par value, were issued and outstanding.

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

For Quarterly Period Ended JUNE 30, 2002

INDEX

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WOMEN'S GOLF UNLIMITED, INC.
BALANCE SHEETS
AS OF JUNE 30, 2001 (UNAUDITED)
AND DECEMBER 31, 2001 (AUDITED)

	June 30, 2002	December 31, 2001
ASSETS		
Current Assets		
Cash	$ 830	$ 7,717

Accounts Receivable - Net	3,247,654	3,092,565
Inventories	4,471,683	4,406,117
Prepaid Expenses	73,804	137,799
Deferred Income Taxes	199,000	173,000
Total Current Assets	7,992,971	7,817,198
Plant and Equipment - Net	151,155	140,347
Non-Current Deferred Income Taxes	43,000	30,000
Intangible Asset - Net	2,990,616	
Goodwill - Net		4,896,568
Other Assets - Net	98,653	110,255
Total Assets	$ 11,276,395	$ 12,994,368
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current Portion Long Term Debt	$ 1,056,034	$ 1,307,243
Short-term Borrowings	3,291,406	3,780,465
Accounts Payable	789,289	373,189
Accrued Expenses	465,936	348,310
Other Current Liabilities	4,000	19,735
Total Current Liabilities	5,606,665	5,828,942
Long-Term Liabilities		
Long-Term Debt, less Current Portion	50,000	202,413
Total Liabilities	5,656,665	6,031,355
Shareholders' Equity		
Common Stock, $.01 Par; 12,000,000 Shares Authorized: 3,225,173 & 3,225,173 Issued & Outstanding at June 30, 2002 and December 31, 2001, respectively	32,252	32,252
Additional Paid in Capital	6,350,736	6,350,736
Retained Earnings (Deficit)	(763,258)	580,025
Total Shareholders' Equity	5,619,730	6,963,013
Total Liabilities and Shareholders' Equity	$ 11,276,395	$ 12,994,368

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
JUNE 30, 2002 AND JUNE 30, 2001
(UNAUDITED)

	June 30, 2002	June 30, 2001
Net Sales	$ 3,914,338	$ 5,402,339
Cost of Goods Sold	2,217,112	3,055,164
Gross Profit	1,697,226	2,347,175
Operating Expenses:		
Selling	686,005	1,413,268
General & Administrative	574,860	741,158
Total Operating Expenses	1,260,865	2,154,426
Operating Income	436,361	192,749
Other Income (Expense)		
Interest	(74,660)	(140,144)
Other Income	187,910	100,993
	113,250	(39,151)
Income Before Income Taxes	549,611	153,598
Provision for Income Taxes	217,246	117,350
Net Income	$ 332,365	$ 36,248
Earnings per Common Share		
Basic	$ 0.10	$ 0.01
Diluted	$ 0.10	$ 0.01
Weighted Average Number of Common Shares Outstanding -		
Basic	3,225,173	3,223,039
Diluted	3,249,140	3,323,713

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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WOMEN'S GOLF UNLIMITED, INC.
STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED
JUNE 30, 2002 AND JUNE 30, 2001
(UNAUDITED)

		June 30, 2002	June 200
Net Sales		$ 7,537,133	$ 9,92
Cost of Goods Sold		4,382,690	5,70
Gross Profit		3,154,443	4,21
Operating Expenses:			
Selling		1,347,272	2,23
General & Administrative		1,134,097	1,40
Total Operating Expenses		2,481,369	3,63
Operating Income		673,074	57
Other Income (Expense)			
Interest		(146,628)	(24
Other Income		223,017	14
		76,389	(10
Income Before Income Taxes		749,463	47
Provision for Income Taxes		286,298	26
Income before Cumulative Effect of Accounting Change		463,165	21
Cumulative Effect of Accounting Change, Net of Tax		(1,806,448)	
Net Income (Loss)		$(1,343,283)	$ 21
Earnings per Common Share from before Cumulative Effect of Accounting Change	Basic	$ 0.14	$
	Diluted	$ 0.14	$
Cumulative Effect of Accounting Change	Basic	$ (0.56)	$
	Diluted	$ N/A	$
Income (Loss) per Share	Basic	$ (0.42)	$

Diluted	$ N/A	$
Weighted Average Number of Common Shares Outstanding -		
Basic	3,225,173	3,22
Diluted	3,256,479	3,22

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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WOMEN'S GOLF UNLIMITED, INC.
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED
JUNE 30, 2002 AND JUNE 30, 2001
(UNAUDITED)

	June 30, 2002	June 30, 2001
OPERATING ACTIVITIES		
Net Income (Loss)	$(1,343,283)	$ 210,176
Adjustments to Reconcile Net Income (Loss) to		
Net Cash Provided By (Used In) Operating Activities:		
Depreciation	31,305	54,168
Amortization	99,504	182,826
Goodwill Impairment	1,806,448	
Deferred Income Taxes	(39,000)	(6,000)
Allowance for Doubtful Accounts	144,000	156,111
Changes in Assets and Liabilities:		
Accounts Receivable	(299,089)	(1,108,641)
Inventories	(65,566)	(997,412)
Prepaid Expenses	63,995	(62,404)
Other Assets	11,602	6,523
Accounts Payable	416,100	828,298
Accrued Expenses	117,626	65,522
Other Current and Non-Current Liabilities	(15,735)	(23,298)
NET CASH PROVIDED BY (USED IN) OPERATIONS	927,907	(694,131)
INVESTING ACTIVITIES		
Purchases of Equipment	(42,113)	(33,857)
FINANCING ACTIVITIES		
Repayments of long-term debt	(403,622)	(299,794)
Proceeds from (Repayment) Revolving Line of Credit, Net	(489,059)	1,024,318
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(892,681)	724,524

DECREASE IN CASH	(6,887)	(3,464)
CASH - BEGINNING OF PERIOD	7,717	9,886
CASH - END OF PERIOD	$ 830	$ 6,422
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash Paid During the Period For:		
Interest	$ 191,437	$ 249,914
Income Taxes	$ 130,470	$ 133,840

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 30, 2002 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2002. 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, 2001.

1) EARNINGS 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) NEW ACCOUNTING PRONOUNCEMENT

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets. This accounting standard addresses financial accounting and reporting for goodwill and other intangible assets and requires that goodwill amortization be discontinued and replaced with periodic tests of impairment. A two-step impairment test is used to first identify potential goodwill impairment and then measure the amount of goodwill impairment loss, if any. SFAS No. 142 is effective for fiscal years beginning after December 15, 2001, and is required to be applied at the beginning of the fiscal year. Impairment losses that arise due to the initial application of this standard will be reported as a cumulative effect of a change in accounting principle. The first step of the goodwill impairment test, which must be completed within six months of the effective date of this standard, will identify potential goodwill impairment. The second step of the goodwill impairment test, which must be completed prior to the issuance of the annual financial statements, will measure the amount of goodwill impairment loss, if any.

In accordance with SFAS No. 142, goodwill amortization was discontinued as of January 1, 2002. The Company recorded a goodwill impairment of $1,806,448, or ($.56) per diluted share, related to Lady Fairway acquisition as a cumulative effect of change in accounting principle in the first quarter of 2002. In addition, the Company stopped amortizing approximately $1.2 million of an intangible asset deemed to have an indefinite useful life, primarily related to the Lady Fairway trademark. The Company estimated the fair value of the associated sole unit by

using a present value of future cash flows model. Based on the current level of the intangible asset deemed to have an indefinite useful life, the adoption of SFAS No. 142 will reduce annual amortization expense by approximately $150,000. Amortization expense related to intangible assets deemed to have a definite useful life is approximately $107,000 as of June 30, 2002. Due to the non-deductibility of this goodwill, the Company did not record a tax benefit in connection with the impairment. If the adoption of this statement occurred on January 1, 2001, Net Income before cumulative Effect of Account Change, Net Income and Earnings per Share, Basic and Diluted would have been $324,928, ($1,481,520) and ($0.46) and (N/A), respectively for the year ended December 31, 2001.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment of Disposal of Long-Lived Assets." This statement will be effective for fiscal years beginning after December 15, 2001. This statement established a single accounting model, based upon the framework established in SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of," for long-lived assets to be disposed of by sale or to address significant implementation issues.

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 30, 2002 and December 31, 2001 consisted of the following components:

	6/30/02	12/31/01
Raw Materials	$ 804,902	$ 793,101
Finished Goods	3,666,781	3,613,016
	$4,471,683	$4,406,117

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 5.00% as of June 30, 2002 and 5.00% as of December 31, 2001. The Company's remaining availability on the line of credit, as of June 30, 2002 was approximately $ 1,865,000.

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 June 30, 2002.

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 2002 will end on March 31, 2002, June 30, 2002 and September 29, 2002. The Company reports its year-end financial statements as of December 31.

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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-month periods ended June 30, 2002 were $3,914,338 and $7,537,133 respectively, compared to $5,402,339 and $ 9,923,934 for the same periods in 2001. Management attributes this 24.0% 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 20.8% and the NancyLopezGolf brand was down 18.9% for the six-months ended June 30, 2002. The Lady Fairway shoe brand was down 57.1% for the six-months ended June 30, 2002, which was the result of excess inventory at the retail level and managements decision to completely begin to change the product and marketing. The effect of these changes will not be felt until 2003. Net sales for the three-month period ended June 30, 2002 were 27.5% less than the same period in 2001. The Square Two brand was down 38.9%, the NancyLopezGolf brand was down 27.8% and Lady Fairway was down 38.6% for the three-months ended June 30, 2002.

Gross profit as a percentage of sales for the three-month and six-month periods ended June 30, 2002 was 43.4% and 41.9% respectively, as compared to 43.5% and 42.5% for the same periods in 2001. Management attributes this decrease to lower revenue and a higher amount of shoe closeouts in 2002.

Selling expenses for the three-month and six-month periods ended June 30, 2002 were $686,005 and $1,347,272, compared to $1,413,268 and $ 2,236,901 for the same periods in 2001. The six-month decrease of approximately $890,000 is a result of a decrease in advertising, due to no television campaign done in 2002 and reduced national show expense as well as a reduction in commissions, due to decreased sales. The three-month decrease of approximately $727,000 was due to no television campaign done in 2002 and a reduction of commissions.

General and Administrative expenses for the three-month and six-month periods ended June 30, 2002 were $574,860 and $1,134,097 respectively, compared to $741,158 and $1,402,617 the same periods in 2001. The three-month and six-month decreases are mainly due to the consolidation of Lady Fairway operations into our New Jersey facility as well as decreased Legal, professional fees, bad debt and FASB 142, Amortization of Goodwill, which states Lady Fairway Goodwill can no longer be expensed in 2002, but was in 2001. Goodwill for Lady Fairway for the three-month and six-month periods ended June 30, 2001 was $38,000 and $72,000 respectively.

Interest expense for the three-month and six-month periods ended June 30, 2002 was $74,660 and $146,628 respectively, compared to $140,144 and $249,914 for the same periods in 2001. The average loan balance for the six-month period ended June 30, 2002 was $4,817,287 compared to $5,209,820 for the same period in 2001. For the three-months ended June 30, 2002, the average loan balance was $4,028,059 compared to $4,975,311 for the same period in 2001. The decrease in the average outstanding balance resulted mainly from better management of inventories and receivables. In addition, interest rates for the three-month and six-month periods ended June 30, 2002 are lower than the same periods in 2001, therefore decreasing the interest paid on the term loan, line of credit and promissory note.

Other income (expense) for the six-month period ended June 30, 2002 was $187,910 and $223,017 respectively compared to $100,993 and $141,452 for the same periods in 2001. The three-month period ended June 30, 2002, other income (expense) was $187,910 compared to $100,993 for the same period in 2001. This increase is due to royalty income from international distributors.

The provision for income taxes for the three-month and six-month periods ended June 30, 2002 was $217,246 and $286,298 respectively, compared to $117,350 and $260,723 for the same periods in 2001. This decrease is mainly the result of the amortization in 2001 of Goodwill associated with the acquisition of the Lady Fairway Product Line which is not deductible for tax purposes. Per SFAS No. 142, amortization was discontinued in 2002.

The Company's net income before Cumulative Effect of Accounting Change for the three-month and six-month periods ended June 30, 2002 was $332,365 and $463,165 respectively compared to $36,248 and $210,176 for the same periods in 2001. The increase in net income for the three-months ended June 30, 2002 was a result of decreased net revenue as well as decreased margins offset by reduced selling of approximately $727,000, general and administrative expense $166,000 and interest $65,000. The increase in net income of $252,989 for the six-months ended June 30, 2002 was a result of decreased net revenue offset by a reduction of selling expense of approximately $889,000, reduced general and administrative of $269,000 and reduced interest of $103,000.

CHANGE IN ACCOUNTING PRINCIPLE

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets (SFAS No. 142). This accounting standard addresses financial accounting and reporting for goodwill and other intangible assets and requires that goodwill amortization be discontinued and replaced with periodic tests of impairment. A two-step impairment test is used to first identify potential goodwill impairment and then measure the amount of goodwill impairment loss, if any. SFAS No. 142 is effective for fiscal years beginning after December 15, 2001, and is required to be applied at the beginning of the fiscal year. Impairment losses that arise due to the initial application of this standard will be reported as a cumulative effect of a change in accounting principle. The first step of the goodwill impairment test, which must be completed within six months of the effective date of this standard, will identify potential goodwill impairment. The second step of the goodwill impairment test, which must be completed prior to the issuance of the annual financial statements, will measure the amount of goodwill impairment loss, if any.

In accordance with SFAS No. 142, goodwill amortization was discontinued as of January 1, 2002. The Company recorded a goodwill impairment of $1,806,448, or ($.51) per diluted share, related to Lady Fairway acquisition as a cumulative effect of change in accounting principle in the first quarter of 2002. In addition, the Company will stop amortizing approximately $1.2 million of an intangible asset deemed to have an indefinite useful life, primarily related to the Lady Fairway trademark. The Company estimated the fair value of the associated sole unit by using a present value of future cash flows model. Based on the current level of the intangible asset deemed to have an indefinite useful life, the adoption of SFAS No. 142 will reduce annual amortization expense by approximately $150,000. Amortization expense related to intangible assets deemed to have a definite useful life is approximately $107,000 as of June 30, 2002. Due to the non-deductibility of this goodwill, the Company did not record a tax benefit in connection with the impairment. If the adoption of this statement occurred on January 1, 2001, Net Income before cumulative Effect of Accounting Change, Net Income and Earnings per Share, Basic and Diluted would have been $324,928, ($1,481,520) and ($0.46) and (N/A), respectively for the year ended December 31, 2001.

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FINANCIAL CONDITION AND LIQUIDITY

The Company's working capital increased by $398,050 for the six-month period ended June 30, 2002, compared to December 31, 2001. Current assets increased by $175,773, offset by an decrease in current liabilities of $222,277. Accounts receivable increased by approximately $155,000 and Inventory increased by $66,000, which was typical for the Company due to the cyclical nature of the golf industry. In addition, Prepaid expenses decreased approximately $64,000 offset by an increase in taxes of approximately $20,000. The short-term borrowings of the Company decreased by approximately $489,000. In addition, accounts payable increased by approximately $416,000, Accrued Expenses increased approximately $118,000 and Other Current Liabilities decreased by $16,000 for the six-month period ended June 30, 2002.

Cash provided by operations was $927,907 for the six-month period ended June 30, 2002, compared to cash used of $694,131 for the same period ended June 30, 2001. Cash provided by financing activities totaled $892,681 for the six-months ended June 30, 2002, compared to cash used of $724,524 for the same period ended June 30, 2001. During the six-month period ended June 30, 2002 cash used for the payment of equipment purchased was $42,113 compared to cash used of $33,857 for the same period ended June 30, 2001. Cash paid for interest charges on short and long-term borrowing was $191,437 and $249,914 for the six-month periods ended June 30, 2002 and June 30, 2001, respectively.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

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, term loan and promissory note. 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, 2001 were to remain constant, a 1.0% increase in interest rates occurring on January 1, 2002 would result in an increase in interest expense for the following 12 months of approximately $46,956. There have been no material changes in the market risks faced by the Company since December 31, 2001.

PART II. OTHER INFORMATION

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

The Company's annual meeting was held on June 18, 2002. 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	2,857,931	2,600
James E. Jones	2,855,906	4,625
Mary Ann Jorgenson	2,857,931	2,600
Nancy Lopez	2,858,531	2,000
Richard M. Maurer	2,857,906	2,625

Robert L. Ross	2,857,906	2,625
Frederick B. Ziesenheim	2,857,906	2,625

There were no abstentions or broker non-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.

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.

08/06/2002 /S/ DOUGLAS A. BUFFINGTON

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Dated By:

Douglas A. Buffington

President and Chief
Operating 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)

* 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.