WOMENS GOLF UNLIMITED INC
Form 10-Q
November 13, 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 September 29, 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 September 29, 2002, 3,227,273 shares of common stock, $.01 par value, were issued and outstanding.

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

FOR QUARTERLY PERIOD ENDED SEPTEMBER 29, 2002

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WOMEN'S GOLF UNLIMITED, INC.
BALANCE SHEETS
AS OF SEPTEMBER 29, 2002
AND DECEMBER 31, 2001
(UNAUDITED)

	September 29, 2002	December 31, 2001
ASSETS		
Current Assets		
Cash	$ 716	$ 7,717
Accounts Receivable - Net	1,809,699	3,092,565
Inventories	4,183,209	4,406,117
Prepaid Expenses	69,505	137,799
Deferred Income Taxes	258,000	173,000
Total Current Assets	6,321,129	7,817,198
Plant and Equipment - Net	137,883	140,347
Non-Current Deferred Income Taxes	93,000	30,000
Intangible Asset- Net	2,937,056	
Goodwill - Net		4,896,568
Other Assets - Net	94,942	110,255
Total Assets	9,584,010	12,994,368
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current Portion Long-Term Debt	779,224	$ 1,307,243
Short-term Borrowings	2,257,496	3,780,465
Accounts Payable	683,995	373,189
Accrued Expenses	402,485	348,310
Other Current Liabilities	4,000	19,735
Total Current Liabilities	4,127,200	5,828,942
Long-Term Liabilities		
Long-Term Debt, less Current Portion	0	202,413
Total Liabilities	4,127,200	6,031,355
Shareholders' Equity		
Common Stock, $.01 Par; 12,000,000 Shares Authorized: 3,227,213 & 3,225,173 Issued & Outstanding at September 29, 2002 and December 31, 2001, respectively	32,272	32,252
Additional Paid in Capital	6,352,716	6,350,736
Retained Earnings (Accumulated Deficit)	(928,178)	580,025
Total Shareholders' Equity	5,456,810	6,963,013
Total Liabilities and Shareholders' Equity	$ 9,584,010	$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
SEPTEMBER 29, 2002 AND SEPTEMBER 28, 2001
(UNAUDITED)

		September 29, 2002	September 28, 2001
Net Sales		$ 2,387,272	$ 3,484,474
Cost of Goods Sold		1,578,749	2,035,107
Gross Profit		808,523	1,449,367
Operating Expenses:			
Selling		505,615	705,338
General & Administrative		555,299	664,519
Total Operating Expenses		1,060,914	1,369,857
Operating Income (Loss)		(252,391)	79,510
Other Income (Expense)			
Interest Expense		(47,514)	(115,290)
Other Income (Expense)		32,000	96,154
		(15,514)	(19,136)
Income (Loss) Before Income Taxes		(267,905)	60,374
Provision for Income Taxes		(102,985)	(307)
Net Income (Loss)		$ (164,920)	$ 60,681
Earnings (Loss) per Common Share			
	Basic	$ (0.05)	$ 0.02
	Diluted	$ (0.05)	$ 0.02
Weighted Average Number of Common Shares Outstanding -			
	Basic	3,226,481	3,224,372
	Diluted	3,237,335	3,327,514

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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WOMEN'S GOLF UNLIMITED, INC.
STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED
SEPTEMBER 29, 2002 AND SEPTEMBER 28, 2001
(UNAUDITED)

	September 29, 2002	September 28, 2001
Net Sales	$ 9,924,405	$ 13,408,408
Cost of Goods Sold	5,961,439	7,740,162
Gross Profit	3,962,966	5,668,246
Operating Expenses:		
Selling	1,852,887	2,942,239
General & Administrative	1,689,396	2,067,136
Total Operating Expenses	3,542,283	5,009,375
Operating Income	420,683	658,871
Other Income (Expense)		
Interest Expense	(194,142)	(365,204)
Other Income (Expense)	255,017	237,606
	60,875	(127,598)
Income Before Income Taxes	481,558	531,273
Provision for Income Taxes	183,313	260,416
Income before Cumulative Effect of Accounting Change	298,245	270,857
Cumulative Effect of Accounting Change	(1,806,448)	
Net Income (Loss)	$ (1,508,203)	$ 270,857

Earnings per Common Share from before

Accounting Change	Basic	$ 0.09	$ 0.08
	Diluted	$ 0.09	$ 0.08
Loss per Common Share from Cumulative Effect of Accounting Change			
	Basic	$ (0.56)	$ (0.00)
	Diluted	$ (0.56)	$ (0.00)
Income (Loss) per Share	Basic	$ (0.47)	$ 0.08
	Diluted	$ (0.47)	$ 0.08
Weighted Average Number of Common Shares Outstanding -			
	Basic	3,225,503	3,223,484
	Diluted	3,248,742	3,227,517

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 NINE MONTHS ENDED
SEPTEMBER 29, 2002 AND SEPTEMBER 28, 2001
(UNAUDITED)

	September 29, 2002	September 28 2001
OPERATING ACTIVITIES		
Net Income (Loss)	$(1,508,203)	$ 270,857
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided By Operating Activities:		
Depreciation	49,995	81,433
Amortization	153,064	274,239
Goodwill Impairment Lady Fairway	1,806,448	
Deferred Income Taxes	(148,000)	(6,000)
Bad Debt Provision	216,000	221,115
Issuance of Common Stock	2,000	2,000
Changes in Assets and Liabilities:		
Accounts Receivable	1,066,866	504,578
Inventories	222,908	(479,954)
Prepaid Expenses	68,294	(115,914)
Other Assets	15,313	11,284

Accounts Payable	310,806	(204,127)
Accrued Expenses	54,155	(14,648)
Other Current and Non-Current Liabilities	(15,735)	(45,806)
NET CASH PROVIDED BY OPERATIONS	2,293,911	499,057
INVESTING ACTIVITIES		
Purchases of Equipment	(47,531)	(44,854)
FINANCING ACTIVITIES		
Repayments of long-term debt	(730,412)	(374,794)
Repayment Revolving Line of Credit, Net	(1,522,969)	(85,610)
NET CASH USED IN FINANCING ACTIVITIES	(2,253,381)	(460,404)
DECREASE IN CASH	(7,001)	(6,201)
CASH - BEGINNING OF PERIOD	7,717	9,886
CASH - END OF PERIOD	$ 716	$ 3,685
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash Paid During the Period For:		
Interest	$ 263,357	$ 320,517
Income Taxes	$ 165,434	$ 158,868

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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 nine months and three months ended September 29, 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 (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) NEW ACCOUNTING PRONOUNCEMENTS

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. As of the first quarter of 2002, the Company has completed these steps.

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 basic and diluted share, related to the 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 $153,000 as of September 29, 2002. If the adoption of this statement occurred on January 1, 2001, Net Income (loss) from continuing operations and Earnings per Share, Basic and Diluted would have been as follows:

	Three Months Ended September 29, 2002	Three Months Ended September 28, 2001	Nine Months En September 29, 2002	Se
Reported net income (loss)	(164,920)	60,681	1,508,203	
Goodwill amortization		37,934		
Adjusted net income (loss)	(164,920)	98,615	1,508,203	
Reported basic and diluted EPS	(0.05)	0.02	(0.47)	
Goodwill amortization		0.01		
Adjusted basic EPS	(0.05)	0.03	(0.47)	

In June 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities which nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). This accounting standard, which is effective for exit or disposal activities that are initiated after December 31, 2002, addresses financial accounting and reporting for costs associated with exit or disposal activities. The adoption of SFAS No. 146 is not expected to have a material effect on the Company's financial position or results of operations.

In April 2002, the FASB issued SFAS No. 145, Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections. This accounting standard, which is effective for fiscal years beginning after May 15, 2002, requires, among other things, that debt extinguishments used as a part of an entity's risk management strategy no longer meet the criteria for classification as extraordinary items. The adoption of SFAS No. 145 is not expected to have a material effect on the Company's financial position or results of operations.

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. The adoption of FAS No. 144, does not have a material effect on the Company's financial statements.

INVENTORIES

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

Inventories at September 29, 2002 and December 31, 2001 consisted of the following components:

	9/28/02	12/31/01
Raw Materials	$ 752,977	$ 793,101

Finished Goods	3,430,232	3,613,016
	$4,183,209	$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 September 29, 2002 and 5.00% as of December 31, 2001. The Company's remaining availability on the line of credit, as of September 29, 2002 was approximately $ 1,836,000.

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 September 29, 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.

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

RESULTS OF OPERATIONS

Net Sales for the three-months and nine-month periods ended September 29, 2002 were $2,387,272 and $9,924,405 respectively, compared to $3,484,474 and $13,408,408 for the same periods in 2001. Management attributes this 26.0% decrease for the nine-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 23.1% and the NancyLopezGolf brand was down 21.8% for the nine-months ended September 29, 2002. The Lady Fairway shoe brand was down 37.8% for the nine-months ended September 29, 2002, which was the result of excess inventory at the retail level and managements decision to completely begin to change the product and marketing associated with Lady Fairway. The effect of these changes to the Lady Fairway brand will not be felt until 2003. Net sales for the three-month period ended September 29, 2002 were 32.5% less than the same period in 2001. The Square Two brand was down 23.2%, the NancyLopezGolf brand was down 21.8% and Lady Fairway was down 37.8% for the three-months ended September 29, 2002.

Gross profit as a percentage of sales for the three-month and nine-month periods ended September 29, 2002 was 33.9% and 40.0% respectively, as compared to 41.6% and 42.3% 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 nine-month periods ended September 29, 2002 were $505,615 and $1,852,887, compared to $705,338 and $ 2,942,239 for the same periods in 2001. The nine-month decrease of approximately $1,089,000 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 $200,000 was due to no television campaign done in 2002 and a reduction of commissions.

General and Administrative expenses for the three-month and nine-month periods ended September 29, 2002 were $555,299 and $1,689,396 respectively, compared to $664,519 and $2,067,136 the same periods in 2001. The three-month and nine-month decreases are mainly due to the consolidation of Lady Fairway operations into the New Jersey facility as well as decreased Legal, professional fees 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 nine-month periods ended September 28, 2001 was approximately $38,000 and $114,000 respectively.

Interest expense for the three-month and nine-month periods ended September 29, 2002 was $47,514 and $194,142 respectively, compared to $115,290 and $365,204 for the same periods in 2001. The average loan balance for the nine-month period ended September 29, 2002 was $4,038,509 compared to $4,717,793 for the same period in 2001. For the three-months ended September 29, 2002, the average loan balance was $2,480,954 compared to $3,733,741 for the same period in 2001. The decrease in the average outstanding balance resulted mainly from better management of inventories and receivables. Interest rates for the three-month and nine-month periods ended September 29, 2002 are lower than the same periods in 2001, therefore decreasing the interest paid on the term loan, line of credit and promissory note. In addition, the balance on the promissory note has decreased due to payments, therefore reducing the interest on the principal.

Other income (expense) for the three-month and nine-month periods ended September 29, 2002 was $32,000 and $255,017 respectively compared to $96,154 and $237,606 for the same periods in 2001. The three-month period ended September 29, 2002, other income (expense) was $32,000 compared to $96,154 for the same period in 2001. This decrease is due to timing of payments for royalty income from international distributors.

The provision for income taxes for the three-month and nine-month periods ended September 29, 2002 was ($102,985) and $183,313 respectively, compared to $307 and $260,416 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 (loss) before Cumulative Effect of Accounting Change for the three-month and nine-month periods ended September 29, 2002 was ($164,920) and $298,245 respectively compared to $60,681 and $270,857 for the same periods in 2001. The decrease in net income for the three-months ended September 29, 2002 was a result of decreased net revenue as well as decreased margins, offset by reduced selling of approximately $200,000, general and administrative expense $109,000 and interest $68,000. The increase in net income of $27,388 for the nine-months ended September 29, 2002 was a result of decreased net revenue and a decrease to margin, offset by a reduction of selling expense of approximately $1,089,000, reduced general and administrative of $378,000 and reduced interest of $171,000. In addition, other income has increased $17,000.

FINANCIAL CONDITION AND LIQUIDITY

The Company's working capital increased by $205,673 for the nine-month period ended September 29, 2002, compared to December 31, 2001. Current assets decreased by $1,496,069, offset by a decrease in current liabilities of $1,701,742. Accounts receivable decreased by

approximately $1,283,000 and Inventory decreased by $223,000, which was typical for the Company due to the cyclical nature of the golf industry. In addition, Prepaid expenses decreased approximately $68,000 offset by an increase in taxes of approximately $85,000. The short-term borrowings of the Company decreased by approximately $1,523,000. In addition, accounts payable increased by approximately $311,000, Accrued Expenses increased approximately $56,000 and Other Current Liabilities decreased by $16,000 for the nine-month period ended September 29, 2002.

Cash provided by operations was $2,293,911 for the nine-month period ended September 29, 2002, compared to $499,057 for the same period ended September 28, 2001. Cash used by financing activities totaled $2,253,381 for the nine-months ended September 29, 2002, compared to $460,404 for the same period ended September 28, 2001. During the nine-month period ended September 29, 2002 cash used for the payment of equipment purchased was $47,531 compared to cash used of $44,854 for the same period ended September 28, 2001. Cash paid for interest charges on short and long-term borrowing was $263,357 and $320,517 for the nine-month periods ended September 29, 2002 and September 28, 2001, respectively.

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 were 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, without 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 required 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, 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 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.

11/13/2002	/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 am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and 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 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: November 13, 2002

/s/Douglas A. Buffington

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

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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 am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and 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 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: November 13, 2002

/s/Robert L. Ross

Chairman of the Board and
Chief Executive Officer

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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 3l, 2000 (incorporated by reference to Exhibit 10.14 to the registrant's Registration Statement No. 333-47908 on Form S-4).

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT*
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).

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT*
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.