ENERCORP INC
Form 10QSB
February 28, 2003

UNITED STATES
ECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

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

For the quarter ended December 31, 2002

OR

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

FOR THE TRANSITION PERIOD FROM TO

Commission File Number: 0-9083

Enercorp, Inc.
(Exact name of Registrant as specified in its Charter)

Colorado	84-0768802
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)
32751 Middlebelt Road, Suite B Farmington Hills, Michigan	48334
(Address of principal executive offices)	(Zip Code)

(248) 851-5651
(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, and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Number of shares of common stock outstanding at February 18, 2003: 695,897

Enercorp, Inc.

Form 10-QSB Filing for the First Quarter Ended December 31, 2002

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Enercorp, Inc.
Statements of Assets and Liabilities

	December 31 2002 (Unaudited)	June 30 2002
ASSETS		
Investments, at fair value, cost of $1,231,638 And $1,231,638 at December 31, 2002 and June 30,2002	$ 736,531	$1,045,842
Cash	892	1,123
Furniture and fixtures, net of accumulated depreciation of $11,736 at Dec. 31, 2002 and 11,503 at June 30, 2002 respectively	0	0
Other assets	0	0
	$ 737,423	$ 1,046,965
LIABILITIES AND NET ASSETS		
Liabilities		
Note payable-Related Party	$ 33,150	$27,000
Note payable-Wen Group	30,000	30,000
Accounts payable and accrued liabilities	17,496	15,403
Interest Payable-related party	4,330	-0-

Accrued management fees-related party	35,000	20,000
Accrued salaries payable	60,000	-0-
	179,976	92,403
Net assets		
Common stock, no par value: 10,000,000 shares authorized, 695,897 shares issued and outstanding at December 31, 2002 and June 30, 2002	1,888,251	1,888,251
Preferred stock, no par value: 1,000,000 shares authorized, -0- issued and outstanding	-0-	-0-
Accumulated deficit	(835,697)	(747,893)
Unrealized net loss on investments, net of deferred income taxes at December 31, and June 30, 2002	(495,107)	(185,796)
	557,447	954,562
	$ 737,423	$ 1,046,965

See notes to financial statements

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Enercorp, Inc.
Schedule of Investments
December 31, 2002 (Unaudited)

Affiliated Companies	Description of Business	Expir. Date	Restrictions	No. of Shares	Share Price	Cost Equity	Fair Mkt Value	Discount	Net Fair Market Value
Common Stocks-Public Market Method of Valuation									
CompuSonics Video Corp	Digital Video Product & Web			1,751	0.011		19		19
	Site Dev.			10,000,000	0.011	106,477	110,000	(33,000)	77,000
Ajay Sports,	Golf & Casual			294,118	0.006	600,000	1,765		1,765
	Furniture Manufacturer			16,667	0.006	37,500	100		100
Preferred Stocks-Public Market Method of Valuation									
Ajay Sports,	Golf & Casual Furniture Manufacturer			2,000	0.019	20,000	38		38

Common Stocks-Board Appraisal Method of Valuation

```
Pro Golf      Franchisor of       a & b          7,450            195,000
  447,000    (89,400)        357,600
Intern'l     Retail Golf Stores

ProGolf.com,  Web Sales of        a & b        300,000    2.5      252,000
  750,000   (450,000)        300,000
Inc.          Golf Equipment
                                                                              --------------
--------------------------------------
           Subtotal                                                         $1,210,977
1,308,922   (572,400)        736,522


Warrants and Stock Options-Board Appraisal Method of Valuation
==============================================================
CompuSonics   Digital Video
Video         Product
Corporation                                    300,000

Williams      Manuf. Of Sensors &
Controls,     Control Systems
Inc.                       08/04/04  b         25,000
                           05/03/05  b         25,000
                           09/13/06  b         50,000
                           03/12/06  b         50,000
                           10/02/08  b         50,000

                                         4

Unaffiliated Companies
Common Stocks-Public Market Method of Valuation
-----------------------------------------------
Vitrio Diagnostics                                 300    .03        1,500
       .9                         9
Proconnextions, Inc.-Sports Memor'blia  a      191,610      -       19,161
       -
                                               ----------------------------
-----------------------------------------
Total All Companies                                                 $1,231,638
$1,308,931  (572,400)       736,531
                                                                   ==============
===================================
a    No public market for this security
b    Subject to Rule 144

                              See notes to financial statements

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                                        Enercorp, Inc.
                                    Schedule of Investments
                                       June 30, 2002

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Affiliated    Description              No. of     Share    Cost      Fair Mkt
            Net Fair
Companies     of Business Restrictions Shares     Price    Equity    Value
Discount    Market Value

Common Stocks-Public Market Method of Valuation
------------------------------------------------
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CompuSonics Video
   Corp      Digital Video
             Product & Web              1,751                             96
                    96
                                   10,000,000  $0.055   106,477     550,000
 (165,000)    385,000

Ajay Sports,  Golf & Casual           294,118  $0.055   600,000       2,941
                2,941
              Furniture
              Manufacturer             16,667  $0.01     37,500         167
                  167

Preferred Stocks-Public Market Method of Valuation
==================================================
Ajay Sports,  Golf & Casual             2,000            20,000          20
                    20

Common Stocks-Board Appraisal Method of Valuation
-------------------------------------------------
Pro Golf      Franchisor of   a & b     7,450           195,000     447,000
  (89,400)    357,600
 Intern'l     Retail Golf Stores

ProGolf.com,  Web Sales of     b      300,000   2.5     252,000     750,000
 (450,000)    300,000
Inc.           Golf Equipment
---------------------
           Subtotal                                  $1,210,977   1,750,224
 (694,400)  1,045,824

Unaffiliated Companies
Common Stocks-Public Market Method of Valuation
-----------------------------------------------
Vitrio Diagnostics                        300             1,500         170
                170
Proconnextions, Inc.-Sports Memor'blia 191,610           19,161
                                                         -------------------
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Total All Companies                                  $1,231,638   $1,750,242
$(694,400) $1,045,842
                                                     ========================
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a  No public market for this security
b  Subject to Rule 144
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See notes to financial statements

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Enercorp, Inc.
Statements of Operations
(Unaudited)

	For the three Months Ended Dec. 31		For Six Months ended Dec.31.	
	2002	2001	2002	2001
REVENUES				
Miscellaneous Income	$-0-	$1,700	$-0-	$3,875
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	-0-	2,175	-0-	3,875
EXPENSES				
Officer salaries	30,000	-0-	60,000	-0-
Legal, accounting and other professional Fees	9,118	7,931	10,832	4,633
Management fees related	7,500	7,500	15,000	15,000
Interest expense - other	796	223	1,477	273
Other general and administrative expenses	222	3,040	495	3,709
	47,636	18,694	87,804	23,615
Net gain (loss) from operations before taxes	(47,636)	(16,994)	(87,804)	(19,740
Income taxes	-0-	-0-	-0-	-0-
Net gain (loss) from operations after taxes	(47,636)	(16,994)	(87,804)	(19,740)
Net unrealized gain (loss) on investments Before Taxes	2,956	146,841	(309,311)	49,150
Income taxes	-0-	-0-	-0-	-0-
Net unrealized gain (loss) on investment after taxes	2,956	146,841	(309,311)	49,150
Increase (decrease) in net assets resulting from operations	$(44,681)	$129,847	(397,116)	$ 29,410
Increase (decrease) in net assets per share	$ (0.06)	$0.19	$ (0.57)	$ 0.04

See notes to financial statements

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Enercorp, Inc.
Statements of Cash Flows
(Unaudited)

	For Six Months Ended December 31 2002	2001
Cash flows from operating activities		
Increase (decrease) in net assets	$(397,116)	$29,410
Adjustments to reconcile net income to net Cash provided by operating activities:		
Depreciation	-0-	467
Bad debt provision on notes receivable and interest net of write offs	-0-	-0-
Gain on sale of investments	-0-	-0-
(Gain) Loss on sale of fixed assets	-0-	-0-
Unrealized (gain) loss on Investments	309,311	(49,150)
(Increase) Decrease in other assets	-0-	-0-
Increase (Decrease) in accounts payable and accrued expenses	81,423	(35,609)
Increase (Decrease) in deferred taxes	-0-	-0-
Total adjustments	390,734	(84,292)

Net cash (used) by operating activities	(6,381)	(54,882)
Cash flows from investing activities:		
Purchase of investments	-0-	-0-
Net cash provided (used) by investing Activities	-0-	-0-
Cash flows from financing activities:		
Proceeds from notes payable	6,150	57,000
Net cash provided by investing activities	-0-	-0-
Net cash provided by investing Activities		1,500
Increase (Decrease) in cash	(231)	2,118
Cash, beginning of period	1,123	342
Cash, end of period	$ 892	$ 2,460
Supplemental disclosures of cash flow information:		
Interest paid	$ -0-	$ 88
Taxes Paid	$ -0-	$ -0-

See notes to financial statements

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NOTES TO FINANCIAL STATEMENTS

Note 1. Financial Statements

The accompanying interim unaudited condensed financial statements have been prepared in accordance with the instructions to Form 10-QSB and do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of the management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included, and the disclosures are adequate to make the information presented not misleading. Operating results for the three months ended December 31, 2002 are not necessarily indicative of the results that may be expected for the year ending June 30, 2003. These statements should be read in conjunction with the financial statements and notes thereto included in the Annual 10-K Report (filed with the Securities and Exchange Commission) for the year ended June 30, 2002

Note 2: Investments

The Registrant holds its principal common stock investments in CompuSonics Video Corporation (10,001,751 shares), Ajay Sports, Inc. (310,785 common and 2,000 preferred shares), ProGolf.com (300,000 common shares) and Pro Golf International, Inc. (7,450 shares), and continues to hold 200,000 warrants in Williams Controls, Inc., which are fully vested at the time of this filing.

Note 3: Capital Stock Transactions

There were no capital stock transactions during quarter ended December 31, 2002.

Note 4: Board of Director Changes .

Mr. Salvatore M. Parlatore and Dr. Jeffrey E. Ratio are the new elected directors of Enercorp, Inc. They were elected on October 16, 2002. They will serve until their successors be duly elected and qualified.

Note 5: Related Party Transactions

The Registrant has Note Payable of $33,150 to Dearborn Wheels, Inc. in which the Chairman's daughter is the President. The note was issued on December 6, 2001 at 10% interest rate per annum, and is renewed on December 23,2002. The note is due after 180 days. The terms were approved by the independent directors. Also, as of 12/31/02 balance of interest payable on this note is $4,330.

The Company is accruing $2,500 per month in management fees, due to Acrodyne Corporation a company in which the President has an interest and is also President. As of 12/31/02 balance of accrued fees due to Acrodyne Corporation is $ 35,000.

The Company is also accruing $30,000 salary owed to Mr. Itin, CEO, as officer salaries for this quarter. Balance of accrued salaries at the end of this quarter is $ 60,000.

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Note 6: Note payable Wen Group.

The Registrant has outstanding the $30,000 promissory note to Wen Group. The note was issued on December 12, 2001 and is not bearing any interest.

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

Material Changes in Financial Condition:

The Registrant's liquidity is affected primarily by the business success, securities prices and marketability of its investee companies and by the amount and timing of new or incremental investments it makes, as well as the availability of borrowing under the credit line.

The only change in the Registrant's financial condition for the six month period ending 12/31/02 is the decrease in investments value. This change is mainly due to decrease in market value of CompuSonics Video Corporation and Ajay Sports, Inc. stock.

Liquidity and Capital Resources.

The Registrant has outstanding the promissory note of $30,000 to Wen Group. There are no general terms as to how the $30,000 note will be paid or how the Registrant intends to raise the funds for repayment or how to fund current operations. The validity of the Wen Group claim is under review. The Registrant's current plan is to bring in other investors, borrow against collateral or sell a portion of its holdings.

Material Changes in Results of Operations:

The Registrant's revenues were $0 and $1,700 for the quarter ended December 31, 2002 and 2001, respectively. The changes in revenues were mainly due to the lack of operations. There was no sale of investment, no consulting services provided to other parties, no dividend or interest income from other parties for this quarter.

The Company recorded $30,000 of officer salaries for the quarter ended December 2002 compared to officer salaries of $0 for the quarter ended December 31, 2001. Salary is due to Mr. Itin, the CEO of the Company. This change is due to the employment agreement between Mr. Itin and the Company, which was negotiated and approved by the independent directors.

The Registrant's interest expenses were $ 796 and $ 223 for the quarter ended Dec. 2002 and 2001 respectively. The change is due to the increase in principal of a note payable to a related party, therefore there is an increase in interest expense for this quarter compared to the previous quarter.

The Registrant recorded general and administrative expenses of $ 222 for this quarter ended December 31, 2002 compared to general and administrative expenses of $ 3,040 the quarter ended December 31, 2001. This change is due to the decrease in the company's activity related to such expenses. General and administrative expenses include travel, telephone and other miscellaneous expenses.

The Registrant recorded an unrealized gain on investments of $ 2,956 for the quarter ended December 31, 2002 compared to a gain of $ 146,841 for the quarter ended December 31, 2001. This is mainly due to the changes in fair market value of the Registrant's investment in the publicly traded companies CompuSonics Video Corporation and Ajay Sports, Inc. The Registrant is also taking higher discount rates for this quarter for its investment in ProGolf International, Inc., ProGolf. Com, Inc. and CompuSonics Video Corporation. The Board of Directors after careful deliberation decided that the new discount rates are more reasonable and fair. (See schedule of investment, page 5)

The Registrant's revenues were $0 and $3,875 for the six months period ended December 31, 2002 and 2001, respectively. The changes in revenues were mainly due to the lack of operations. There was no sale of investment, no consulting services provided to other parties, no dividend or interest income from other parties for this period.

The Company recorded $60,000 of officer salaries for the six month period ended December 2002 compared to officer salaries of $0 for the six month period ended December 31, 2001. Salary is due to Mr. Itin, the CEO of the Company. This change is due to the employment agreement between Mr. Itin and the Company.

The Registrant's interest expenses were $ 1,477 and $ 273 for the six months period ended Dec. 2002 and 2001 respectively. The change is due to the increase in principal of note payable to a related party, therefore there is a increase in interest expense for this period compared to the previous one.

The Registrant recorded general and administrative expenses of $ 495 for the six months period ended December 31, 2002 compared to general and administrative expenses of $ 3,709 the six month period ended December 31, 2001. This change is due to the decrease in the company's activity related to such expenses. General and administrative expenses include travel, telephone and other miscellaneous expenses.

The Registrant recorded an unrealized loss on investments of $ 309,311 for the six month period ended December 31, 2002 compared to a gain of $ 49,150 for the period ended December 31, 2001. This is mainly due to the changes in market value of the Registrant's investment in the publicly traded companies CompuSonics Video Corporation and Ajay Sports, Inc. Also the Registrant is taking higher discount rates for this quarter for its investment in ProGolf International, Inc., ProGolf Com, Inc. and CompuSonics Video Corporation. The Board of Directors after careful deliberation decided that the new discount rates are more reasonable and fair. (See schedule of investment, page 5)

Item 3. Controls and Procedures.

a) Evaluation of Disclosure Controls and Procedures.

Within the 90 days prior to the date of this report, Enercorp, Inc. carried out an evaluation under supervision of the Company's management of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. The management concluded that the internal controls and procedures are effective.

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b) Changes in Internal Controls

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these internal controls subsequent to the date of the most recent evaluation.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

None

Item 3. Defaults Upon Senior Securities

None

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

None

Item 5. Exhibits and Reports on Form 8-K

A) Exhibits

None

B) Form 8-K

None

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Enercorp, Inc.

Form 10-QSB

For the Quarter Ended December 31, 2002

Signature Page

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.

Enercorp, Inc.

(Registrant)

By: /s/ Thomas W. Itin

Thomas W. Itin
President

Date: February 28, 2003

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CERTIFICATION PURSUANT TO 18 USC, SECTION 1350, AS ADOPTED PURSUANT TO SECTIONS 302 AND 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Enercorp, Inc. (the "Company") on Form 10-QSB for the quarter ended December 31, 2002 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, we, Thomas W. Itin, Chief Executive Officer and Majlinda Xhuti, Chief Financial Officer of the Company, certify to the best of our knowledge, pursuant to 18 USC 1350, as adopted pursuant to Sec.302 and promulgated as 18 USC 1350 pursuant to Sec.906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report referenced above has been read and reviewed by the undersigned.

2. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

3. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

4. Based upon our knowledge, the Report referenced above does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

5. Based upon our knowledge, the financial statements, and other such financial information included in the Report, fairly present in all material respects the financial condition and results of operations of the Company as of, and for, the periods presented in the Report.

6. We acknowledge that the Chief Executive Officer and Chief Financial Officer:

A. are responsible for establishing and maintaining "disclosure controls and procedures" for the Company;

B. have designed such disclosure controls and procedures to ensure that material information is made known to us, particularly during the period in which the Report was being prepared;

C. have evaluated the effectiveness of the Company's disclosure controls and procedures within 90 days of the date of the Report; and

D. have presented in the Report our conclusions about the effectiveness of the disclosure controls and procedures based on the required evaluation.

E. have disclosed to the issuer's auditors and to the audit committee of the Board of Directors of the Company (or persons fulfilling the equivalent function):

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

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

F. have indicated in the 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 their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Thomas W. Itin

Chief Executive Officer

/s/ Majlinda Xhuti

Chief Financial Officer

Dated: February 28, 2003

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