

Courts (Jamaica) Limited 1997

SIGNIFICANT ACCOUNTING POLICIES

31st March 1997

Hire purchase sales and deferred profit

Profit on hire purchase sales is spread evenly over the lives of the contracts, the majority of which are for twenty four months. Deferred profit represents the estimated gross profit and hire purchase charges attributable to outstanding receivables at the balance sheet date after providing for doubtful accounts.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Depreciation

Freehold buildings are depreciated to the extent that their estimated future residual value is less than the value at which they are stated in the financial statements. Other fixed assets are depreciated on methods and bases considered appropriate to write off their costs over the period of estimated useful life. The principal methods and rates are as follows:

Office equipment	-	20% straight line
Furniture, fixtures and fittings	-	10% straight line
Motor vehicles	-	33 1/3% reducing balance

Foreign currency translation

Transactions with group companies are translated from the foreign currencies into Jamaican dollars at fixed rates of exchange determined at the end of each quarter. Liabilities in foreign currencies are translated at the rates of exchange ruling at balance sheet date and any resulting gain or loss is reflected in the profit and loss account.

Pension scheme

The company accrues and funds pension costs annually. Such costs are actuarially determined and include amounts to fund future and past service benefits and expenses.

Deferred taxation

Deferred taxation is not recognised in these financial statements because timing differences are not considered likely to reverse in the unforeseeable future.
