

# Courts (Jamaica) Limited 1998

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## SIGNIFICANT ACCOUNTING POLICIES

31st March 1998

### **Accounting Convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets.

### **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**

Foreign currency balances outstanding at the balance sheet date are translated at the rates of exchange ruling on that date. Transactions in foreign currencies during the year are converted at the rates of exchange ruling on the date of those transactions. Gains and losses arising from fluctuations in exchange rates are included 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 foreseeable future.

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