

# COURTS (JAMAICA) LTD

---

## AUDITED RESULTS - TWELVE MONTHS ENDED 31.03.00

The audited results for the Twelve (12) months ended March 31, 2000 with corresponding figures for 1999 are as follows:

	2000 \$000s	1999 \$000s
<b>Turnover</b>	<b><u>5,226,262</u></b>	<b><u>4,315,326</u></b>
Operating Profit	1,597,904	1,347,026
Net Interest Costs	( 256,952)	( 202,663)
Profit before Deferred Profit & Taxation	1,340,952	1,144,363
Transfer to Deferred Profit	(569,496)	(625,420)
<b>Profit before Taxation</b>	<b>771,456</b>	<b>518,943</b>
Taxation	(229,358)	(143,262)
<b>Profit after Taxation</b>	<b>542,098</b>	<b>375,681</b>
	\$	\$

EARNINGS PER STOCK UNIT	1.13	0.78
-------------------------	------	------

**ABRIDGED BALANCE SHEET AS AT 31ST MARCH, 2000**

	<b>2000</b> <b>\$000s</b>	<b>1999</b> <b>\$000s</b>
Fixed Assets	1,001,420	1,034,454
Investments & Intangible Asset	13,578	14,327
Net Current Assets	2,829,660	1,779,559
Long Term Loan	-	( <u>1,507</u> )
Net Assets	3,844,658	2,826,833
Deferred Profit Reserve	( <u>1,907,151</u> )	1,337,655
Shareholders Fund	<u>1,937,507</u>	<u>1,489,178</u>
	\$	\$
NET ASSETS PER STOCK UNIT	4.04	3.11

**Notes**

**Trading**

It has been another positive year of growth for the company with Total Sales increasing by 21% to \$5.2 billion. The substantial part of that growth came from increased credit business, which resulted in improved margins.

Bad and doubtful debts increased substantially. Strong action has been taken to address the arrears with additional investment in systems and personnel.

Higher credit sales resulted in the need for extra financing and increased interest costs. However, the net transfer to the Deferred Profit Reserve was lower than last year as a result of the introduction of Ezee Payment Plan in 1998 which is working itself through the portfolio.

Profit before Tax increased 49%, from \$519m to \$771m. Earnings per share were 113 cents as compared with 78 cents last year (after adjusting for the bonus issue).

### **Future Prospects**

Deliveries for the first few weeks of the new financial year continued ahead of the previous year with cash sales providing the major boost. Although current order levels are not particularly buoyant, we have a strong promotional programme for the months ahead. The new Beetlemania promotion has been well received with the chance to win 24 cars providing an incentive to our customers. Our continued focus on lowest price with quality service puts the company in a strong position to benefit from any economic uplift. However, success will be very much dependent on the performance of the economy and the continued lowering of interest rates.

### **Bonus Issue/Dividends**

The directors intend to recommend a one for one bonus share issue at the Annual General Meeting. There will also be a recommendation for a final dividend of 1.75 cents per share including the bonus issue. The effect of the above is a 20% increase in the full year dividend amount over last year.

### **Resolutions at AGM**

The directors have decided to propose at the Annual General Meeting to be held on the **21 September 2000**:

1. That the Authorised Share Capital of the company be and is hereby increased from \$240,000,000 to \$480,000,000 by the creation of 480,000,000 new ordinary shares of 50 cents each, such shares to rank pari passu with the existing ordinary capital of the company, and that all unissued share capital of the company which shall hereafter from time to time be issued in the form of ordinary shares, as soon as the same shall be issued and fully paid up, shall be converted into ordinary stocks transferable in units of 50 cents each.

2. That on the recommendation of the Directors, and Pursuant to article 136 of the Articles of Association of the Company, it is desirable to capitalise the sum of \$239,712,370 standing to the credit of revenue reserves and accordingly that the same be set free for distribution amongst the members on condition that the same shall not be paid in cash but be applied in paying up in full unissued shares of the Company and to be allotted and issued as fully paid up to and amongst the members of the Company in the proportion of one 50 cent par value ordinary share for every one 50 cent ordinary stock unit held by each member on record at the close of business on 5th October 2000 excluding fractions of new shares which fractions shall be rounded up or down as the case may require to the nearest whole number of shares to which the members shall be entitled; and that the 479,424,740 ordinary 50 cent shares so issued be converted into ordinary stock transferable in units of 50 cents each and shall rank for all dividends paid subsequent to 22nd September 2000.
3. That a final dividend of 1.75 cents (1999 3 cents) per share, less income tax be paid, making together with the interim dividend a total of 3.05 cents (\$0.0305) in respect of the year ended 31st March 2000 (1999 -.5 cents). The final dividend if approved, will be paid on 27th October 2000 to registered shareholders as at the 13th October 2000.

Yours faithfully  
COURTS (JAMAICA) LIMITED

R. HAYDEN SINGH  
Managing Director

---