

# Courts Jamaica Limited.

## UNAUDITED RESULTS - THREE MONTHS ENDED 29 JUNE 2003

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The unaudited results for the three (3) months ended 29 June 2003 with corresponding figures for 2002 are as follows:

### PROFIT AND LOSS ACCOUNT

#### THREE MONTHS ENDED 29 JUNE 2003

	2003	2002
	\$000's	\$000's
<b>Turnover</b>	1,283,541	963,301
	=====	=====
<b>Operating Profit</b>	281,379	239,426
Finance (costs)/income, net	(9,743)	26,383
Profit before Deferred Profit & Taxation	271,636	265,809
Transfer (to)/from Deferred Profit	(83,133)	47,709
<b>Profit before Taxation</b>	188,503	313,518
Taxation	(47,126)	(104,506)
<b>NET PROFIT</b>	<b>141,377</b>	<b>209,012</b>
	=====	=====
	<b>Cents</b>	<b>Cents</b>
<b>EARNINGS PER STOCK UNIT</b>	5.90	8.72*

Restated to reflect Bonus Issue in May 2003.

**BALANCE SHEET**  
**AS AT 29 JUNE 2003**

	<b>Unaudited 2003</b>	<b>Unaudited 2002</b>	<b>Audited 31 March 2003</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>NET ASSETS EMPLOYED</b>			
<b>Fixed Assets</b>	1,176,473	1,050,957	1,163,513
Goodwill	11,250	12,000	11,250
Investment	19	39	19
<b>Long Term Hire Purchase Receivables</b>	1,149,973	537,420	1,100,981
<b>Current Assets</b>			
Receivables	1,194,069	992,788	1,135,095
Inventories	784,788	669,849	647,991
Cash & Short Term Deposits	40,101	848,953	45,739
	<u>2,018,958</u>	<u>2,511,590</u>	<u>1,828,825</u>
<b>Current Liabilities</b>			
Bank Overdraft & Short Term Loans	360,000	-	293,258
Payables	453,701	270,173	370,837
Taxation	249,727	397,526	288,625
	<u>1,063,428</u>	<u>667,699</u>	<u>952,720</u>
<b>Net Current Assets</b>	955,530	1,843,891	876,105
<b>Net Assets</b>	<u>3,293,245</u>	<u>3,444,307</u>	<u>3,151,868</u>
	=====	=====	=====
<b>FINANCED BY</b>			
Share Capital	1,198,561	599,281	799,041
Capital Reserve	596,753	617,903	596,753
Retained Earnings	1,497,931	2,227,123	1,756,074
<b>Capital Employed</b>	<u>3,293,245</u>	<u>3,444,307</u>	<u>3,151,868</u>
	=====	=====	=====

**STATEMENT OF CHANGES IN EQUITY  
THREE MONTHS ENDED 29 JUNE 2003**

	<b>Share Capital \$'000</b>	<b>Capital Reserve \$'000</b>	<b>Retained Earnings \$'000</b>	<b>Total \$'000</b>
Balance at 1 April 2003	799,041	596,753	1,756,074	3,151,868
Net profit	-	-	141,377	141,377
Issue of bonus shares	399,520	-	(399,520)	-
<b>Balance at 29 June 2003</b>	<u>1,198,561</u>	<u>596,753</u>	<u>1,497,931</u>	<u>3,293,245</u>
	=====	=====	=====	=====
Balance at 1 April 2002	599,281	617,903	2,018,111	3,235,295
Net profit	-	-	209,012	209,012
<b>Balance at 30 June 2002</b>	<u>599,281</u>	<u>617,903</u>	<u>2,227,123</u>	<u>3,444,307</u>
	=====	=====	=====	=====

**STATEMENT OF CASH FLOWS,  
THREE MONTHS ENDED 29 JUNE 2003**

	<b>Unaudited 29 June 2003 \$'000</b>	<b>Audited 31 March 2003 \$'000</b>
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN) :</b>		
<b>Operating Activities</b>		
<b>Net profit</b>	141,377	826,736
Items not affecting cash resources:		
Amortisation of goodwill	-	750
Gain on disposal of fixed assets	-	(2,853)
Depreciation	8,834	45,369
	150,211	870,002
Changes in non-cash working capital	(200,794)	772
Cash (used in)/provided by operating activities	(50,583)	870,774

Cash used in investing activities	(21,797)	(755,500)
Cash used by financing activity	-	(907,360)
Decrease in cash and cash equivalents	(72,380)	(792,086)
Net cash and cash equivalents at beginning of period	(247,519)	544,567
Net cash and cash equivalents at end of period	(319,899)	(247,519)
	=====	=====

## **Notes**

### **Trading Activities**

Turnover for the quarter increased by \$320M or 33% over prior year while operating profits increased by \$42M or 17% over the same period. The increase in Turnover is due primarily to the growth in credit sales. As a result, the transfer to deferred profit reserve amounted to \$83.1M compared to \$47.7M being transferred from the reserve in prior year.

The rise in HP Receivables reflects the increase in credit sales and is shown net of the deferred profit reserve. The deferred profit reserve, which will flow into future years' profit now stands at \$1,953.9M; (2002 - \$1,248.6M).

### **Share Capital**

At an Extraordinary General Meeting held on 13 May 2003, the Directors approved the increase in authorised and issued share capital of the company and a bonus issue of one (1) for every two (2) shares previously held. As a result of the bonus issue there will be a tax credit.

### **Future Prospects**

Turnover for the first few weeks of the second quarter is ahead of budget and prior year. However, the full year's success will be dependent on the performance of the economy with respect to economic growth, the relative stability of the exchange rate and lower interest rates.

Courts remains committed to being the market leader, providing excellent customer service, quality merchandise and innovative products and offerings.

Yours faithfully  
**COURTS (JAMAICA) LIMITED**

**R. HAYDEN SINGH**  
Managing Director

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