

Courts Jamaica Limited.

UNAUDITED RESULTS - SIX MONTHS ENDED SEPTEMBER 28, 2003

PROFIT AND LOSS ACCOUNT - UNAUDITED

	3 months ended 28/9/03 \$'000	6 months ended 28/9/03 \$'000	3 months ended 29/9/02 \$'000	6 months ended 29/9/02 \$'000
Goods sold and credit charges invoiced	1,305,193	2,588,733	1,120,477	2,083,779
Movement in deferred revenue	(53,174)	(132,922)	(36,298)	61,786
Turnover	<u>1,252,019</u>	<u>2,455,811</u>	<u>1,084,179</u>	<u>2,145,565</u>
Operating Profit	275,214	476,736	259,827	597,065
Finance (cost)/income	<u>(26,201)</u>	<u>(35,944)</u>	<u>40,216</u>	<u>66,651</u>
Profit before Taxation	249,013	440,792	300,043	663,716
Taxation	<u>(64,737)</u>	<u>(128,247)</u>	<u>(50,020)</u>	<u>(171,323)</u>
NET PROFIT	<u>184,276</u>	<u>312,545</u>	<u>250,023</u>	<u>492,393</u>
Earnings per Stock Unit (Cents)	7.69	13.04	10.43	20.54*

* Restated to reflect bonus issue in May 2003

Note: As a result of the adoption of International Financial Reporting Standards, there

have been significant changes in the policies followed in these interim financial statements compared with those used in the audited financial statements for the year, ended 31 March 2003 which have been restated. Details of these changes are outlined in the accompanying notes.

BALANCE SHEET

AS AT SEPTEMBER 2003

	Unaudited 28-Sep 2003 \$'000	Unaudited 29-Sep 2002 \$'000	Audited 31 March 2003 \$'000
NET ASSETS EMPLOYED			
Fixed assets	1,187,107	1,120,937	1,163,513
Goodwill	11,308	12,000	11,250
Investment	19	39	19
Receivables - due after more than one year			
Including deferred revenue	2,700,412	1,824,385	2,524,156
Less: deferred revenue	(257,654)	(153,962)	(253,894)
	2,442,758	1,670,423	2,270,262
Pension fund surplus	129,660	129,660	129,660
Current Assets			
Inventories	1,131,250	726,786	647,991
Receivables - due within one year			
Including deferred revenue	1,771,032	1,113,799	1,582,710
Less: deferred revenue	(576,778)	(374,930)	(447,615)
	1,194,254	738,869	1,135,095

Cash & short term deposits	50,762	805,886	45,739
	<u>2,376,266</u>	<u>2,271,541</u>	<u>1,828,825</u>

Current Liabilities

Bank overdraft & short term loans	651,901	-	293,258
Payables	455,255	257,243	369,130
Taxation	241,261	347,106	288,625
	<u>1,348,417</u>	<u>604,349</u>	<u>951,013</u>

Net Current Assets

	1,027,849	1,667,192	877,812
Total assets less current liabilities	<u>4,798,701</u>	<u>4,600,251</u>	<u>4,452,516</u>
Provisions for liabilities and charges	376,500	202,405	342,860
Net Assets	<u>4,422,201</u>	<u>4,397,846</u>	<u>4,109,656</u>

FINANCED BY

Share Capital	1,198,562	799,041	799,041
Capital reserve	585,849	617,903	596,753
Retained earnings	2,637,790	2,980,902	2,713,862
Capital Employed	<u>4,422,201</u>	<u>4,397,846</u>	<u>4,109,656</u>

STATEMENT OF CHANGES IN EQUITY

	No. of Shares \$'000	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 31 March 2003					
as previously reported	1,598,082	799,041	596,753	1,756,074	3,151,868
Effect of adopting:					
IFRS 10 -Events after balance sheet date				10,068	10,068
IFRS 12 - Income Tax				(342,860)	(342,860)
IFRS 18 - Revenue				1,169,281	1,169,281
IFRS 19 - Employee benefits				121,299	121,299
As restated 31 March 2003	1,598,082	799,041	596,753	2,713,862	4,109,656
Net profit				312,545	312,545
Realized gains on sale of fixed assets			(10,904)	10,904	-
Issue of bonus shares	799,041	399,521	-	(399,521)	-
Balance as at 28 September 2003	2,397,123	1,198,562	585,849	2,637,790	4,422,201
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	No. of Shares \$000	Share Capital \$'000	Capital Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 31 March 2002					
as previously reported	1,198,561	599,281	617,903	2,018,111	3,235,295
Effect of adopting:					
IFRS 10 - Events after balance sheet date				19,177	19,177
IFRS 12 - Income tax				(176,515)	(176,515)

IFRS 15 - Revenue			705,650	705,650
IFRS 19 - Employee benefits			121,846	121,846
As restated 31 March 2002	1,198,661	599,281	2,688,269	390,543
Net profit			492,393	492,393
Issue of bonus shares	399,521	199,760	(199,760)	-
Balance as at 29 September 2002	1,598,082	799,041	2,980,902	4,397,846

STATEMENT OF CASH FLOWS

SIX MONTHS ENDED 28 SEPTEMBER 2003

	Unaudited 28-Sep 2003 \$'000	Unaudited 29-Sep 2002 \$'000
CASH RESOURCES		
WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net profit	312,545	492,393
Items not affecting cash resources:		
Amortisation of goodwill	(58)	-
Gain on disposal of fixed assets	-	(568)
Depreciation	17,939	18,423
	<u>330,425</u>	<u>510,248</u>
Changes in non-cash working capital	(642,513)	(160,421)
Cash (used in)/provided by operating activities	<u>(312,088)</u>	<u>349,827</u>

Cash used in investing activities	<u>(41,532)</u>	<u>(88,508)</u>
(Decrease)/increase in cash and cash equivalents	<u>(353,620)</u>	<u>261,319</u>
Net cash and cash equivalents at beginning of period	(247,519)	544,567
Net cash and cash equivalents at end of period	(601,139)	805,886
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Managing Director's Statement

Trading Activities

The company has adopted International Financial Reporting Standards (IFRS) formerly International Accounting Standards, commencing the financial year 2003/4. These interim financial statements are compliant with IFRS. The effect of adopting IFRS is explained in the notes to the accounts and in the Statement of Changes in Equity. The most significant change is the recognition of revenues (IFRS 18) where the deferred revenue is adjusted against Turnover. Comparative figures have also been adjusted to comply with IFRS.

Turnover for the six months increased by \$310.2M or 14.5% over prior year primarily due to the growth in credit and merchandise sales. Operating profits declined by \$120.3M over the corresponding period from \$597M to \$4767M. due mainly to the increase in credit costs and warehousing and distribution.

Future Prospects

To date, trading for the third quarter is comparable to last year. During this period, the furniture product range has been expanded with new designs and products. In October we launched our 'Ready Finance' credit card to compliment the successful Options package and this has been well received in the market. We also refurbished our Constant Spring store with new in-store design and fittings and this has improved the branch's performance.

Yours faithfully
COURTS (JAMAICA) LIMITED

R. HAYDEN SINGH
Managing Director

Notes to the Accounts

Accounting Policies

(a) Basis of Preparation

These financial statements have been prepared in accordance with and comply with International Accounting Financial Standards (IFRS) and have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets.

The Company adopted International Accounting Financial Standards (IFRS) as at July 2003. The financial effect of adopting these standards is reported in the Statement of Changes in Equity.

(b) Revenue Recognition

Retail turnover consists of the invoiced price of goods and credit charges earned net of discounts but excludes General Consumption Tax. Sales are recognised on delivery to customers. Turnover and operating profit in respect of sales made on extended payment terms include the credit charges earned during the period. The gross margin is recognised at the time of sale. All expenditure to earn these sales is written off in the year in which it is incurred. Insurance premiums are recognised over the life of the contract to which they relate.

(c) Deferred Revenue

The unearned proportion of the credit charges as at the balance sheet date applicable to future periods is deducted from the debtors shown on the balance sheet. The credit charge income thus recognised produces a constant rate of return on the net investment. In accordance with international accounting practice initial direct costs associated with the writing of hire purchase contracts are deferred and allocated against lease income over the lease term.

(d) Fixed Assets

Freehold land and buildings are initially recorded at cost and subsequent shown at market valuations by external independent valuers, less subsequent depreciation of buildings. Other fixed assets are stated at cost less accumulated depreciation.

(e) Employee Benefit Cost

Pension Scheme

The company participates in a defined benefit pension plan. The assets in respect of the plan is the fair value of plan assets at the balance sheet date net of the present value of the define benefit obligation, together with any adjustments for actuarial gains/losses and past service costs. The present of the define benefit obligation is determined by the estimated future cash flow.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to the pension plan are charged or credited to the income over the remaining service lives of the related employees.

(f) Deferred Taxation

Deferred income taxation is provided in full, using the liability method, on all temporary timing differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements. Income tax rate enacted as the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future

taxable profit will be available against the temporary timing differences can be utilised.

(g) Comparative Information

Where necessary, comparative figures have been reclassified and/or restated to conform with changes in the presentation in the current year.
