

WORLD ACCEPTANCE CORP

Form 10-Q

November 01, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended September 30, 2013
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT of
1934

For the transition period from _____ to _____

Commission File Number: 0-19599

WORLD ACCEPTANCE CORPORATION

(Exact name of registrant as specified in its charter.)

South Carolina

(State or other jurisdiction of incorporation or
organization)

57-0425114

(I.R.S. Employer Identification Number)

108 Frederick Street

Greenville, South Carolina 29607

(Address of principal executive offices)

(Zip Code)

(864) 298-9800

(registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period than the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):

Large Accelerated Filer ☐

Accelerated Filer ☒

Smaller reporting company ☐

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Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of outstanding shares of the issuer's no par value common stock as of October 31, 2013 was 11,483,713.

WORLD ACCEPTANCE CORPORATION
AND SUBSIDIARIES

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Introductory Note: As used herein, the “Company,” “we,” “our,” “us,” or similar formulations include World Acceptance Corporation and each of its subsidiaries, except that unless otherwise expressly noted or the context otherwise requires, when used with reference to the common stock or other securities described herein and in describing the positions held by management or agreements of the Company, it includes only World Acceptance Corporation. All references in this report to “fiscal 2014” are to the Company’s fiscal year ending March 31, 2014.

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WORLD ACCEPTANCE CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2013	March 31, 2013
ASSETS		
Cash and cash equivalents	\$ 14,489,233	11,625,365
Gross loans receivable	1,163,237,688	1,067,051,763
Less:		
Unearned interest and fees	(320,980,101) (284,956,195
Allowance for loan losses	(67,608,005) (59,980,842
Loans receivable, net	774,649,582	722,114,726
Property and equipment, net	23,957,389	23,935,439
Deferred income taxes	36,242,999	29,415,996
Other assets, net	11,149,842	11,712,319
Goodwill	5,967,127	5,896,288
Intangible assets, net	4,253,263	4,624,832
Total assets	\$ 870,709,435	809,324,965
LIABILITIES & SHAREHOLDERS' EQUITY		
Liabilities:		
Senior notes payable	486,850,000	400,250,000
Income taxes payable	6,024,686	13,941,632
Accounts payable and accrued expenses	25,109,026	28,737,074
Total liabilities	517,983,712	442,928,706
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, no par value Authorized 5,000,000, no shares issued or outstanding	—	—
Common stock, no par value Authorized 95,000,000 shares; issued and outstanding 11,472,813 and 12,171,075 shares at September 30, 2013 and March 31, 2013, respectively	—	—
Additional paid-in capital	100,525,690	89,789,789
Retained earnings	256,643,073	277,024,787
Accumulated other comprehensive loss, net	(4,443,040) (418,317
Total shareholders' equity	352,725,723	366,396,259
Total liabilities and shareholders' equity	\$ 870,709,435	809,324,965

See accompanying notes to consolidated financial statements.

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WORLD ACCEPTANCE CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30, 2013		Six months ended September 30, 2013	
	2012		2012	
Revenue:				
Interest and fee income	\$133,010,377	121,817,856	\$260,988,298	237,117,052
Insurance commissions and other income	16,953,202	17,580,470	34,240,408	35,117,158
Total revenue	149,963,579	139,398,326	295,228,706	272,234,210
Expenses:				
Provision for loan losses	38,187,649	32,401,664	66,890,842	56,016,554
General and administrative expenses:				
Personnel	49,134,111	44,669,605	102,443,786	93,082,624
Occupancy and equipment	9,692,239	9,138,637	19,071,209	17,781,286
Advertising	3,049,386	2,801,011	5,772,641	5,445,646
Amortization of intangible assets	265,665	339,040	577,167	707,720
Other				