

Presented
24/12/89

A I R J A M A I C A L I M I T E D

Attached for the information of the House is a copy of the signed and audited accounts of Air Jamaica Limited, for the year ending 31st March, 1968, along with a copy of the formal report of the Directors. The Company commenced operation on the 1st May, 1966.

2. The Report discloses that the Company had a successful second year of operation, making a net profit, before taxation of £102,411. The net profit after writing off preliminary expenses totalling £5,018 is £97,393. The Company has made provision of £44,455 for tax.

3. The House will no doubt recall that a comprehensive report on Air Jamaica Limited was submitted by me in Ministry Paper No.98 of the 13th December, 1965 and that the House endorsed on the 15th February, 1966, the action in this matter taken by Government to that date.

N. C. LEWIS

Minister of Communications & Works.

27th January, 1969.

M.P., No. C9/2/86

REPORT OF THE DIRECTORS

The Directors of Air Jamaica Limited have pleasure in submitting their annual report together with the audited Balance Sheet as at 31st March 1968 and the Profit and Loss Account for the year ended 31st March 1968.

	£
Balance brought forward from previous year	43,029
Profit for year before taxation	102,411
from which is deducted taxation	<u>44,455</u>
Leaving a balance of profit for the year	57,956
Against which has been written off Preliminary expenses	5,018
Leaving a balance of profit for the year of	52,938
Thus leaving an unappropriated profit of	<u>95,967</u>

AUDITORS

The auditors, Messrs. Price Waterhouse & Company retire, and being eligible, offer themselves for re-appointment.

BY ORDER OF THE BOARD,

(Sgd.) W. H. Bayley

Chief Accountant/Secretary

4th November, 1968.

REPORT OF THE AUDITORS TO THE MEMBERS OF

AIR JAMAICA LIMITED

We have not received independent confirmation from B.O.A.C. and B.W.I.A. of the balance due to them on current account. With this exception we have obtained all the information and explanations we considered necessary.

Subject to the foregoing reservation in our opinion the annexed balance sheet and profit and loss account give a true and fair view of the company's state of affairs as at 31st March, 1968 and its profit for the year ended on that date.

In our opinion the company has kept proper books and the said accounts, which are in agreement with them and with the said information and explanations, give in the prescribed manner the information required by the Companies Act 1965.

(Sgd.) Price Waterhouse & Co.

Kingston, Jamaica.

16th October, 1968.

AIR JAMAICA LIMITED

NOTES TO THE ACCOUNTS

31st March, 1968

1. The Company has been granted a licence for 3 years by the Civil Aviation Board, and depreciation of assets, other than furniture and fixtures, is being written off over the period of the licence. Depreciation of furniture and fixtures is being charged at 10% on cost price.

2. Included in the current account balance of B.O.A.C. is an amount of £23,273 for communications cost which may not be recoverable.

Included with accrued expenditure are amounts totalling £215,444 payable to associated companies, and accrued revenue includes £238,459 due from associated companies.

3. The net profit has been arrived at after charging the following :-

	<u>1968</u>	<u>1967</u>
	<u>£</u>	<u>£</u>
Depreciation of fixed assets	7,439	3,953
Auditors' remuneration	1,100	800
Directors' emoluments	NIL	NIL

4. The company has exercised its option under Section 6 of the Income Tax Law, 1954 to have its first three years' income assessed for income tax on the actual profits of each year. Current taxation of £70,079 represents the estimated tax payable for years of assessment 1966 and 1967, and future taxation of £12,376 has been computed on profits for the three months ended 31st March, 1968. Taxation charged in these accounts has been arrived at as follows :-

	<u>£</u>
Year of Assessment 1967:	
Provision based on 9 months profit to 31st December, 1967	33,130
Year of Assessment 1968:	
Part provision based on 3 months profit to 31st March, 1968	<u>12,376</u>
	45,506
Less: Estimated overprovision prior year	<u>1,051</u>
	<u>44,455</u>

5. Foreign currency balances have been included at the approximate rates of exchange ruling on 31st March, 1968.

6. There is a contingent liability in respect of guarantees in favour of the Collector General amounting to £18,950.

AIR JAMAICA LIMITED

BALANCE SHEET

31st MARCH, 1968

	1968	1967		1968	1967
	£	£		£	£
SHARE CAPITAL:			FIXED ASSETS: (note 1)	At Cost	Accumulated Depreciation
Authorised:			Leasehold building improvements	5,893	3,893
200,000 Ordinary Shares of £1 each	200,000	200,000	Furniture, fixtures and equipment	27,580	2,758
Issued:			Tractors, forklift and motor vehicles	8,079	4,554
200,000 Ordinary Shares of £1 each, 2/- per share paid	20,000	20,000		41,552	11,205
REVENUE RESERVE:			CURRENT ASSETS:		
Unappropriated profits	95,967	43,029	Trade debtors (less provision £3,350)	54,632	82,030
	115,967	63,029	Other debtors	64,054	15,528
			Accrued revenue	246,786	205,881
FUTURE TAXATION (note 4)	12,376	38,000	Cash and bank balances	244,156	38,138
					609,628
CURRENT ACCOUNTS WITH ASSOCIATED COMPANIES (note 2)			DEFERRED EXPENDITURE:		
British Overseas Airways Corporation	93,427	93,630	Preliminary expenses	10,037	15,055
British West Indian Airways Ltd.	78,993	(14,190)	Less: Amount written off	5,018	5,018
	172,420	79,440			5,019
CURRENT LIABILITIES:			(Sgd.) G. A. BROWN	Chairman	
Creditors and accrued expenses	254,489	172,960			
Taxation (note 4)	70,079	-	(Sgd) A. E. ISSA	Director	
Provident fund provision	19,663	6,090			
	344,231	179,050			
	644,994	359,519			

The notes on page 3 form an integral part of these accounts.

AIR JAMAICA LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31st March, 1968

	<u>1968</u>	<u>Previous 11 months 1967</u>
	<u>£</u>	<u>£</u>
OPERATING REVENUE:		
Traffic revenue	2,244,720	1,879,417
Agency handling revenue	487,324	390,074
Commissions receivable	150,201	135,995
Net profit from Jamaica/U.K. route	52,400	45,833
Services provided to B.W.I.A.	-	18,187
Miscellaneous	480	-
	<u>2,935,125</u>	<u>2,469,506</u>
OPERATING EXPENDITURE:		
Charter costs	2,158,007	1,816,572
Advertising and sales promotion	48,578	42,362
Local costs:		
Ground handling	405,015	332,694
Selling costs	128,825	121,037
Administration	74,413	64,468
Board and secretarial expenses	<u>163</u>	<u>326</u>
	608,416	518,525
	<u>2,815,001</u>	<u>2,377,459</u>
	120,124	92,047
Less: Administrative development costs	<u>17,713</u>	<u>6,000</u>
PROFIT FOR THE YEAR BEFORE TAXATION (note 2)	102,411	86,047
Provision for taxation (note 4)	<u>44,455</u>	<u>38,000</u>
NET PROFIT AFTER TAXATION	57,956	48,047
Less: Preliminary expenses written off	<u>5,018</u>	<u>5,018</u>
	52,938	43,029
Unappropriated profit brought forward	<u>43,029</u>	<u>-</u>
UNAPPROPRIATED PROFIT 31st March, 1968	<u>95,967</u>	<u>43,029</u>

The notes on page 3 form an integral part of these accounts.