

Audited Accounts of National Sports Limited for the
Years ended 31st December, 1974, 31st December, 1975,
31st December, 1976 and 31st December, 1977

Attached for the information of the Honourable House of Representatives are copies of the Audited Accounts of National Sports Limited in respect of the following years -

- i) Financial Year ended 31st December, 1974,
- ii) Financial Year ended 31st December, 1975,
- iii) Financial Year ended 31st December, 1976
- iv) Financial Year ended 31st December, 1977,

The Audited Accounts of National Sports Limited have never been presented to Parliament. It has been decided, however, that in view of the fact that National Sports Limited is a Government-owned Company, financed mainly by budgetary provisions, it is obligatory that the Annual Audited Accounts should be submitted to Parliament for information.

Over the years there has been unfavourable press publicity concerning the accumulated deficit of National Sports Limited. The position is that National Sports Limited operated on a deficit financial basis. The accumulated deficit however, does not represent only just losses on sports promotions, but also the financing of a part of the Government Sports Programmes through National Sports Limited.

Consequent on the recent establishment of the Institute of Sports (INSPORT), the personnel and assets of National Sports Limited have been incorporated with those of the Sports Development Division of the Social Development Commission and the Sports Division of the Ministry of Youth, Sports and Community Development. The Institute of Sports is therefore the Central Agency for implementing all of Government's policies and programmes for the development of Sports in Jamaica.

HUGH SMALL
Minister of Youth, Sports and
Community Development

30th November, 1978

NATIONAL SPORTS LIMITED

FINANCIAL STATEMENTS

31 December 1976

Price Waterhouse & Co.

NATIONAL SPORTS LIMITED

31 December 1976

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AUDITORS' REPORT

TO THE MEMBERS OF

NATIONAL SPORTS LIMITED

We have examined the financial statements set out on pages 2 to 6 and have obtained all information and explanations which we required. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary.

In our opinion proper accounting records have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the state of the company's affairs at 31 December 1976 and of the loss and changes in financial position for the year then ended and comply with the provisions of the Companies Act.

Price Waterhouse & Co.,

CHARTERED ACCOUNTANTS

NATIONAL SPORTS LIMITEDPROFIT AND LOSS ACCOUNTYear ended 31 December 1976

	<u>1976</u>	<u>1975</u>
	<u>\$</u>	<u>\$</u>
OPERATING LOSS	354,671	663,476
Exceptional provision for bad debts (note 2)	<u>42,000</u>	<u>-</u>
NET LOSS	396,671	663,476
After charging:		
Depreciation	121,318	126,112
Interest - loan	-	2,275
- bank	-	2,780
Directors' emoluments -		
Fees	Nil	Nil
Management remuneration	6,000	6,100
Auditors' remuneration -		
Current year	5,000	4,000
Prior year	2,000	-
Accumulated deficit at beginning of year	1,544,550	1,242,396
Government grant	(358,354)	(361,322)
ACCUMULATED DEFICIT	<u><u>1,582,867</u></u>	<u><u>1,544,550</u></u>

NATIONAL SPORTS LIMITEDBALANCE SHEET31 December 1976

	<u>Notes</u>	<u>1976</u>	<u>1975</u>
		<u>\$</u>	<u>\$</u>
<u>NET ASSETS EMPLOYED:</u>			
FIXED ASSETS	3	3,316,574	3,435,339
NATIONAL HOUSING TRUST		5,912	-
CURRENT ASSETS:			
Inventories		449	2,409
Accounts receivable less provision \$64,761 (1975 - \$36,043)		39,176	40,956
Loans and advances less provision \$12,000 (1975 - \$12,000)		1,430	8,588
Prepayments		333	1,321
Cash at bank and in hand		20,436	36,730
		61,824	90,004
CURRENT LIABILITIES:			
Accounts payable and accruals		187,743	256,424
Caribbean Bitumuls (Jamaica) Ltd.		-	38,727
Development fund	4	9,081	4,389
		196,824	299,540
NET CURRENT LIABILITIES		(135,000)	(209,536)
		3,187,486	3,225,803
<u>FINANCED BY:</u>			
SHARE CAPITAL:			
Authorised, issued and fully paid 100 Ordinary shares of \$2 each	5	200	200
CAPITAL RESERVES:			
Specific Government Grants		41,697	41,697
Special Government Grants for Arena		1,479,456	1,479,456
Special Government Grant for Chevron Track		149,000	149,000
		1,670,153	1,670,153
PROFIT AND LOSS ACCOUNT:			
Accumulated deficit		(1,582,867)	(1,544,550)
		87,486	125,803

NATIONAL SPORTS LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended 31 December 1976

	<u>1976</u>	<u>1975</u>
	<u>\$</u>	<u>\$</u>
FINANCIAL RESOURCES WERE DERIVED FROM:		
Operations -		
Depreciation of fixed assets	121,318	126,112
Profit on sale of fixed assets	-	(9)
	<u>121,318</u>	<u>, 126,103</u>
Other sources -		
Government Grant for operation	358,354	361,322
Proceeds of sale of fixed assets	-	206
	<u>358,354</u>	<u>361,528</u>
	<u>479,672</u>	<u>487,631</u>
FINANCIAL RESOURCES WERE UTILISED FOR:		
Loss on operations	396,671	663,476
Additions to fixed assets	2,553	11,909
National Housing Trust	5,912	-
	<u>405,136</u>	<u>675,385</u>
INCREASE/(DECREASE) IN WORKING CAPITAL	<u>74,536</u>	<u>(187,754)</u>
ANALYSIS OF CHANGES IN WORKING CAPITAL:		
Increase/(decrease) in current assets -		
Inventories	(1,960)	28
Accounts receivable	(1,780)	(2,777)
Loans and advances	(7,158)	(42,263)
Prepayments	(988)	(3,976)
Cash and bank balances	(16,294)	4,661
	<u>(28,180)</u>	<u>(44,327)</u>
Decrease/(increase) in current liabilities -		
Accounts payable	68,681	(136,763)
Caribbean Bitumuls (Jamaica) Ltd.	38,727	(2,275)
Development fund	(4,692)	(4,389)
	<u>102,716</u>	<u>(143,427)</u>
Increase/(decrease) in working capital	74,536	(187,754)
Net current liabilities - beginning of year	<u>(209,536)</u>	<u>(21,782)</u>
NET CURRENT LIABILITIES	<u>(135,000)</u>	<u>(209,536)</u>

NATIONAL SPORTS LIMITEDNOTES TO THE FINANCIAL STATEMENTS31 December 1976

1. ACCOUNTING POLICIES:

(a) Depreciation

Fixed assets are depreciated on the reducing balance method using the following rates:

Buildings and rifle range	3%
Furniture and equipment	10%
Groundsman's equipment	20%
Chevron track	10%

(b) National Housing Trust

Contributions to the National Housing Trust which are refundable after 25 years, have been capitalised at face value and classified as a long term receivable.

2. EXCEPTIONAL PROVISION FOR BAD DEBTS:

An amount of approximately \$42,000 is recorded as being receivable from The Government of Jamaica for the Carifesta promotion in 1976. As collection efforts have been unsuccessful the directors have considered it prudent to provide for this amount in full.

3. FIXED ASSETS:

	<u>1976</u>	<u>1975</u>
	<u>\$</u>	<u>\$</u>
(a) At cost -		
Buildings	4,624,188	4,624,188
Chevron 440 track	254,632	254,632
Rifle range	23,578	23,578
Furniture and equipment	75,396	76,803
Motor vehicles	14,176	10,216
	<u>4,991,970</u>	<u>4,989,417</u>
Less: Accumulated depreciation -		
Buildings	1,542,983	1,447,690
Chevron 440 track	68,133	47,411
Rifle range	8,637	8,175
Furniture and equipment	47,057	47,586
Motor vehicles	8,586	3,216
	<u>1,675,396</u>	<u>1,554,078</u>
Net book value	3,316,574	3,435,339

NATIONAL SPORTS LIMITEDNOTES TO THE FINANCIAL STATEMENTS

(Continued)

31 December 1976

3. FIXED ASSETS (Cont'd.):

- (b) The land on which the company's buildings are situated comprises approximately 80 acres and is owned by The Government of Jamaica. To date no fixed agreement has been reached as to its valuation or the terms of occupancy by National Sports Limited.

4. DEVELOPMENT FUND:

This represents the unexpended balance of funds received from the Ministry of Youth and Community Development for the development of local sports. The movements on this account have been:

	<u>1976</u>	<u>1975</u>
	\$	\$
Balance 1 January	4,389	-
Receipts during year	<u>23,500</u>	<u>120,500</u>
	27,889	120,500
Payments during year	<u>18,808</u>	<u>116,111</u>
Balance 31 December	<u>9,081</u>	<u>4,389</u>

5. SHARE CAPITAL:

The Government of Jamaica is the beneficial owner of the entire issued share capital of the company.

6. GOVERNMENT OF JAMAICA INTEREST FREE LOAN:

At 31 December 1976 there were no agreed terms with the Government of Jamaica for the repayment of this loan.

AUDITORS' REPORT

TO THE DIRECTORS OF

NATIONAL SPORTS LIMITED

The supplementary information set out on pages 8 to 11, taken from the accounting records of the company, has been subjected to the tests and other auditing procedures applied in our examination of the company's financial statements for the year ended 31 December 1976.

In our opinion this information, although not necessary for a fair presentation of the company's state of affairs, results of operations or changes in financial position, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Price Waterhouse & Co.

CHARTERED ACCOUNTANTS

Kingston Jamaica

NATIONAL SPORTS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

Year ended 31 December 1976

	<u>1976</u>	<u>1975</u>
	\$	\$
INCOME:		
Rent -		
Swimming pool	6,631	4,707
Stadium	61,655	62,271
Arena	52,420	51,290
Electricity income less expenses	<u>13,157</u>	<u>12,594</u>
	133,863	130,862
Board and lodging	886	1,000
Scoreboard advertising and rental	12,926	3,000
Catering concession	10,000	4,000
Miscellaneous	5	3,416
Prior year adjustments (net)	<u>11,137</u>	<u>(9,090)</u>
	168,817	133,188
Net income on promotions (page 10)	<u>9,830</u>	<u>-</u>
	178,647	133,188
EXPENDITURE:		
Overhead expenditure (page 9)	412,000	494,252
Net loss on promotions	-	<u>176,300</u>
	<u>412,000</u>	<u>670,552</u>
LOSS BEFORE DEPRECIATION	233,353	537,364
Depreciation	<u>121,318</u>	<u>126,112</u>
OPERATING LOSS	<u><u>354,671</u></u>	<u><u>663,476</u></u>

NATIONAL SPORTS LIMITEDOVERHEAD EXPENDITUREYear ended 31 December 1976

	<u>1976</u>	<u>1975</u>
	<u>₹</u>	<u>₹</u>
Salaries and wages:		
Administration	78,335	62,908
Maintenance	<u>119,866</u>	<u>110,397</u>
	198,201	173,305
Repairs and maintenance:		
Arena	8,773	21,919
Stadium	16,436	51,035
Swimming pool	22,562	12,621
General	4,827	2,440
Interest and bank charges	62	56
Loan interest (Chevron track)	-	2,275
Insurance	15,399	13,928
Telephone	8,953	11,930
Water rates	54,834	47,415
Printing, stationery and tickets	3,344	5,928
Local travel	3,834	12,547
Overseas travel - company's officers	1,068	18,132
Pension fund	8,883	6,449
Postage and cables	1,631	2,396
Entertainment	6,849	16,950
Health insurance	4,553	3,200
Uniforms	5,038	4,756
Security	153	733
General expenses	2,137	2,666
Motor vehicle expenses	7,912	6,213
Audit and professional fees	7,000	12,955
Rent	2,635	11,150
Legal expenses	-	210
Advertising	2,041	2,258
National insurance scheme	3,861	2,676
Decrease in provision for bad and doubtful debts	(13,282)	16,043
Bad debts written off	13,282	-
Donations	3,900	17,221
Life insurance	2,268	1,540
Scholarship fund	-	3,543
Olympic football	5,000	3,662
Chairman's allowance	6,000	6,100
Muhammad Ali visit	3,637	-
Amusement fee	209	-
	<u>412,000</u>	<u>494,252</u>

NATIONAL SPORTS LIMITEDPROMOTIONS31 December 1976

	<u>Income</u>	<u>Expenditure</u>	<u>Profit/(Loss)</u>
	\$	\$	\$
Ali vs. Norton No. 3	79,935	58,256	21,679
Ali vs. Richard Dunn	11,055	19,443	(8,388)
Boy's Champs	27,943	18,195	9,748
Ali vs. Norton No. 3 (replay)	746	760	(14)
Forest Hill Tennis Final	676	1,858	(1,182)
Jamaica vs Cuba Amateur Boxing	1,231	7,449	(6,218)
International Games	-	5,795	(5,795)
	<u>121,586</u>	<u>111,756</u>	
NET PROFIT ON PROMOTIONS			<u>9,830</u>

FIXED ASSETS

31 DECEMBER 1976

	Cost at 31.12.75	Additions	Cost at 31.12.76	Accumulated depreciation 31.12.75	Depreciation charged	Accumulated depreciation 31.12.76	Net book value
	\$	\$	\$	\$	\$	\$	\$
Buildings:							
Stadium	3,132,706		3,132,706	1,074,429	61,748	1,136,177	1,996,529
National arena	1,491,482		1,491,482	373,261	33,545	406,806	1,084,676
	4,624,188		4,624,188	1,447,690	95,293	1,542,983	3,081,205
Chevron 440 track	254,632		254,632	47,411	20,722	68,133	186,499
Rifle range	23,578		23,578	8,175	462	8,637	14,941
Furniture and equipment	72,843	2,553	75,396	43,915	3,142	47,057	28,339
Motor vehicles and groundsman's equipment	14,176		14,176	6,887	1,699	8,586	5,590
	4,989,417	2,553	4,991,970	1,554,078	121,318	1,675,396	3,316,574