

**NEGRIL VENDORS' PLAZA LIMITED**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

I N D E X

	<u>PAGE</u>
DIRECTORS' REPORT	1
INDEPENDENT AUDITORS' REPORT	2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF COMPREHENSIVE INCOME	4
STATEMENT OF CASH FLOWS	5
STATEMENT OF CHANGES IN EQUITY	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 11
SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS	
COMPANY OPERATING ACCOUNT	I
COMPANY ADMINISTRATIVE AND GENERAL EXPENSES	II

**HEW, CHIN & CO.**  
**CHARTERED ACCOUNTANTS**

NEGRIL VENDORS' PLAZA LIMITED

DIRECTORS:

SECRETARY:

REGISTERED OFFICE: P.O. Box 3055, Negril, Westmoreland

REPORT OF THE DIRECTORS

The Directors have submitted their report together with the accounts for the year ended JUNE 30, 2017 .

The net loss for year before charging depreciation amounted to:	(185,347)
Less: Depreciation	<u>-</u>
DEFICIT BEFORE TAXATION	(185,347)
Less: Taxation based on the result of the year Income tax 0% (exempt)	<u>-</u>
DEFICIT AFTER TAXATION	(185,347)
DEFICIT brought forward	<u>(5,925,334)</u>
DEFICIT CARRIED FORWARD	<u><u>\$ (6,110,681)</u></u>

**INDEPENDENT AUDITORS' REPORT**  
**To the Members of**  
**NEGRIL VENDORS' PLAZA LIMITED**

We have compiled the financial statements of NEGRIL VENDORS' PLAZA LIMITED set out on pages 3 to 12, which comprises the company's statement of financial position as at JUNE 30, 2017 the company's statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

A compilation is limited to the preparation in financial statement format information presented by management and representations made by them.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

We have not audited these financial statements as stipulated by international standards on auditing and therefore we do not express an opinion on them.

HEW, CHIN & CO.  
CHARTERED ACCOUNTANTS

Montego Bay,  
JAMAICA.

February 3, 2018



**NEGRIL VENDORS' PLAZA LIMITED**  
**Statement of Financial Position**  
**JUNE 30, 2017**

	<u>NOTE</u>	<u>2017</u>	<u>2016</u>
		<u>\$</u>	<u>\$</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Accounts Receivables	4	1,796,833	-
		<hr/>	<hr/>
Total current assets		1,796,833	-
<b>CURRENT LIABILITIES</b>			
Accounts payable	5	3,055,913	1,562,165
Taxation Payable	9	25,000	25,000
Owed to related party	6	4,338,169	4,338,169
		<hr/>	<hr/>
Total current liabilities		7,419,081	5,925,334
Net current liabilities		(5,622,248)	(5,925,334)
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	7	-	-
Major Repairs Amortized	8	8,018,073	-
		<hr/>	<hr/>
Total assets less current liabilities		2,395,825	(5,925,334)
<b>EQUITY</b>			
Members' fund		-	-
Reserve	9	(6,110,681)	(5,925,334)
		<hr/>	<hr/>
Total equity		(6,110,681)	(5,925,334)
<b>NON - CURRENT LIABILITIES</b>			
Unsecured Loan	10	8,506,506	-
		<hr/>	<hr/>
		2,395,825	(5,925,334)
		<hr/>	<hr/>

The financial statements on pages 3 to 12 were approved for issue by the Board of Directors and signed on its behalf by:

..... DIRECTOR

..... DIRECTOR

The accompanying notes form an integral part of the financial statements.

**NEGRIL VENDORS' PLAZA LIMITED**  
**Statement of Comprehensive Income**  
**JUNE 30, 2017**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		\$	\$
Gross operating revenue		4,875,153	2,993,732
Cost of operating revenue		-	-
Gross operating profit		4,875,153	2,993,732
Administrative and other expenses		(5,060,500)	(3,220,303)
		(185,347)	(226,571)
Finance income		-	-
Finance cost		-	-
Profit/(loss) from operations before taxation		(185,347)	(226,571)
Taxation		-	-
Profit/(loss) for the year, being total comprehensive surplus/(deficit)		(185,347)	(226,571)

The accompanying notes form an integral part of the financial statements.

**NEGRIL VENDORS' PLAZA LIMITED**  
**Company Statement of Cash Flows**  
**JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit/(loss) for the year	(185,347)	(226,571)
Adjustment for:		
Depreciation	-	-
	<u>(185,347)</u>	<u>(226,571)</u>
 (Increase)/decrease in current assets:		
Accounts receivable	(1,796,833)	10,558
 Increase/(decrease) in current liabilities:		
Accounts payable	1,493,748	174,750
Owed by related party	-	35,558
	<u>(488,433)</u>	<u>(5,705)</u>
 Cash provided by (used in) operations		
 Cash flows from financing activities		
Unsecured Director's Loan	8,506,506	-
Net cash provided from financing activities	<u>8,506,506</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	-	-
Major Repairs	(8,018,073)	-
Net cash used in investing activities	<u>(8,018,073)</u>	<u>0</u>
 Net increase/(decrease) in cash and cash equivalents	0	(5,705)
 Cash and cash equivalents at beginning of the year	<u>(0)</u>	<u>5,705</u>
Cash and cash equivalents at end of the year	<u><u>0</u></u>	<u><u>0</u></u>
 <b>Represented by:</b>		
Cash and cash equivalents	-	-
Bank overdraft	-	-
	<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form an integral part of the financial statements.

NEGRIL VENDORS' PLAZA LIMITED  
Company Statement of Changes in Equity  
JUNE 30, 2017

	<u>Accumulated Deficit</u>	<u>Total</u>
Balance at June 30, 2015	(5,698,763)	(5,698,763)
Total comprehensive profit for the year	<u>(226,571)</u>	<u>(226,571)</u>
Balance at June 30, 2016	(5,925,334)	(5,925,334)
Total comprehensive profit for the year	<u>(185,347)</u>	<u>(185,347)</u>
Balance at JUNE 30, 2017	<u><u>(6,110,681)</u></u>	<u><u>(6,110,681)</u></u>

The accompanying notes form an integral part of the financial statements.



**NEGRIL VENDORS' PLAZA LIMITED**  
**Notes to the Financial Statements**  
**JUNE 30, 2017**

**1. Incorporation and Identity**

Negril Vendor's Plaza Limited is a company limited by guarantee and does not have a share capital. The liability of each member is restricted to \$100. The company is incorporated and domiciled in Jamaica. The registered office of the company is Negril, P.O. Box 3055, Negril Westmoreland.

The main activity of the company is rental of real estate primarily to members of the Negril Vendor's Association.

**2. Basis of Preparation and Significant Accounting Policies**

Basis of Preparation and Statement of Compliance.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a. Basis of Preparation:**

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention and the relevant requirements of the Jamaican Companies Act.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed under their respective headings.

**b. Revenue Recognition:**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is recognized when services have been performed and there is acceptance by the customer. No revenue is recorded if there are significant uncertainties regarding recovery of the consideration due, the associated costs. Revenue is shown net of Consumption Tax, returns, rebates and discounts. Interest income is recognised as it accrues, unless collectability is in doubt.

**c. Foreign Currency Translation.**

**1. Functional and Presentation Currency.**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. (The Functional Currency) The financial statements are presented in Jamaican dollars, which is the company's functional and presentational currency.

**NEGRIL VENDORS' PLAZA LIMITED**  
**Notes to the Financial Statements**  
**JUNE 30, 2017**

**d. 11. Transactions and Balances.**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Gains or Losses arising from settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities dominated in foreign currencies are recognized in the statement of comprehensive income.

**e. Fixed Assets**

Furniture, fixtures and equipment and other assets are carried at historical cost LESS depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Depreciation is calculated on the straight line basis at rates estimated to write off the cost of the assets over their expected useful lives. Annual rates used are as follows:

Fixed Assets	10%
--------------	-----

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses and disposal of plant, machinery and equipment are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income. Repairs and maintenance expenditure are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company.

**f. Impairment of Non-Current Assets.**

Plant, machinery and equipment and other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the greater of the asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identified cash flows.

**g. Receivables and Payables**

Receivables and payables are carried at original invoice amounts. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount. Bad debts are written-off during the year in which they are identified.

NEGRIL VENDORS' PLAZA LIMITED  
**Notes to the Financial Statements**  
JUNE 30, 2017

**h. Cash and Short-term Deposits.**

Cash and short-term deposits consist of cash on hand, deposits held on call with banks and other short-term highly liquid investments with less than 90 days' maturity from the date of acquisition. These are carried in the statement of financial position at cost.

**i. Borrowings**

Bank and other loans are recorded at proceeds received. Finance charges, including direct issue costs are accounted for on an accrual basis in the statement of comprehensive income and are added to the carrying amount of the loan to the extent that they are not settled in the period in which they arise.

**j. Employee Benefits**

Annual Leave Entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. At year end the company had no liability for annual leave as a result of services rendered by employees.

**k. Financial Instruments.**

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial Assets

The company's financial assets comprise cash, investments, bank balances, deposits and accounts receivables. The particular recognition methods are disclosed in the individual policy statement associated with each item.

Financial Liabilities

The company's financial liabilities comprise trade payables, loans, and other liabilities. They are initially measured at a fair value, and subsequently measured at amortised cost using the effective interest method.

**l. Segment Reporting**

A business segment is the group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments. The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performances of the operating segments, has been identified as the Management Committee that makes strategic decision.

**NEGRIL VENDORS' PLAZA LIMITED**  
**Notes to the Financial Statements**  
**JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>3. OPERATING LEASE ARRANGEMENTS</b>		
a. Minimum lease payment under operating leases recognizing as an expense in the year	39,000	39,000
b. The rental fee is Thirty-Nine Thousand Dollars (\$39,000.00) per annum commencing 2012 with reviews every five (5) years.		
c. Payment is due on June 24 each and every year for the duration of the lease		
d. The lease agreement commenced on June 24, 1991 and ends on June 23, 2040		
e. The operating lease was reflected in the financial statements of the Negril Commerce from June 24, 1991 to June 2007		
 <b>4. ACCOUNTS RECEIVABLES</b>	 <b>2017</b>	 <b>2016</b>
	\$	\$
Rent Receivables	1,796,833	-
	1,796,833	-
 <b>5. ACCOUNTS PAYABLE</b>		
Hew Chin & Co.	1,918,000	1,223,250
Shop Rental Deposits	290,000	338,915
Active Traders	660,147	-
Other Renovation Liabilities	187,766	-
	3,055,913	1,562,165

**NEGRIL VENDORS' PLAZA LIMITED**  
**Notes to the Financial Statements**  
**JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>6. OWED TO RELATED PARTY</b>		
Monies owed to Negril Chamber of Commerce	4,338,169	4,338,169
	4,338,169	4,338,169

**7. FURNITURE, FIXTURES & EQUIPMENT**

	Leasehold Improvements in Progress	Furniture & Equipment	TOTAL
<b><u>Cost</u></b>			
At July 01, 2016	-	66,430	66,430
Additions	-	-	-
JUNE 30, 2017	-	<b>66,430</b>	<b>66,430</b>
<b><u>Accumulated Depreciation</u></b>			
At July 01, 2016	-	66,430	66,430
Charge for year	-	-	-
JUNE 30, 2017	-	<b>66,430</b>	<b>66,430</b>
<b><u>New Book Value</u></b>			
JUNE 30, 2017	-	-	-
JUNE 30, 2016	-	-	-

- 8.** Major repairs represents widescale renovations to the Negril Vendor's Plaza to include repainting and tiling. This was financed by a loan from director Lee Issa. The directors have agreed to write off this cost over a period of seven(7) years which is the estimated time before new renovations will be required.

	#REF!	#REF!
	\$	\$
Balance b/f	-	-
Addition	9,354,418	-
Amortized c/f	-	-
	<b>9,354,418</b>	
Amortized in current year	(1,336,345)	-
Balance c/f	<b>8,018,073</b>	-

**NEGRIL VENDORS' PLAZA LIMITED**  
**Notes to the Financial Statements**  
**JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>9. RESERVES COMPRISE:</b>		
Revenue:		
Retained Deficit	(6,110,681)	(5,925,334)
	(6,110,681)	(5,925,334)
	(6,110,681)	(5,925,334)
<b>10. The Un-secured loan represents loan from director Mr. Lee Issa to renovate the NVP. This loan is unsecured, interest free, and bears no fixed repayment term. The value of the loan is expected to increase to facilitate the finalization of the renovations in progress.</b>		
Unsecured Loan	8,506,506	-
	8,506,506	-
	8,506,506	-

NEGRIL VENDORS' PLAZA LIMITED

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

**NEGRIL VENDORS' PLAZA LIMITED****Company Operating Account****JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>
	\$	\$
<u>Income</u>		
Rental Income	4,875,153	2,993,732
Other Income	-	-
	<u>4,875,153</u>	<u>2,993,732</u>
Administrative and other expenses (page 11)	<u>(5,060,500)</u>	<u>(3,220,303)</u>
	(185,347)	(226,571)
Finance Costs	-	-
	<u>-</u>	<u>-</u>
Surplus/ (Deficit)	<u>(185,347)</u>	<u>(226,571)</u>



**NEGRIL VENDORS' PLAZA LIMITED**  
**Company Administrative and Other Expenses**  
**JUNE 30, 2017**

	2017	2016
	\$	\$
Accounting Fees	694,750	174,750
Cleaning and sanitation	187,913	100,000
Electricity	751,283	942,724
General office	-	16,263
Other Expenses	63,734	355,368
Rent	93,000	66,000
Repairs and maintenance	146,989	17,300
Amortization of Major Repairs	1,336,345	-
Salaries and related benefits	751,699	883,284
Security	512,405	445,339
Telephone and Internet	91,109	93,274
Water	431,273	126,000
Total administrative and other expenses	<u>5,060,500</u>	<u>3,220,303</u>

**NEGRIL VENDOR'S PLAZA**

**INCOME TAX COMPUTATION**

**YEAR OF ASSESSMENT 2017**

	\$
Net (deficit)/surplus per accounts	(185,347)
<b>ADJUSTMENTS</b>	
Less: Depreciation	-
	<u>(185,347)</u>
Add: Capital Allowance	-
Taxable profits	<u><u>(185,347)</u></u>

**Tax losses available for set-off against future profits:**

YEAR OF ASSESSMENT	BALANCE
2003 (775,843 - 2015 \$15,778)	759,368
2004	500,584
2005	461,167
2006	318,012
2007	202,934
2008	298,361
2009	518,932
2010	578,502
2011	587,558
2013	772,588
2014	805,606
2016	226,571
2017	185,347
	<u><u>6,215,530</u></u>

**CAPITAL ALLOWANCE COMPUTATION**

COST	WDV	RATE	ANNUAL ALLOWANCE	NBV
66,430		-	-	-