

# MONTEGO FREEPORT LIMITED

## CHAIRMAN ' S STATEMENT

FOR 1994/1995 FINANCIAL YEAR

### **Developments**

The new economic environment of liberalization and privatization, which brings with it increased competition and market segmentation, has been an extremely challenging one, at both the national and corporate levels.

This becomes even more evident, when one considers that, despite the ability to draw on the experience of similar societies that may have trod the path before us, each country's experience is essentially unique. The same is true of a company such as ours.

In assessing the achievements of Montego Freeport Limited over the past year, one must be cognizant of the fact that, as facilitator and catalyst for development, our overall performance, and indeed our ability to secure investment, was constrained by factors which were outside our direct sphere of influence and control.

In spite of these external constraints however, we were nevertheless able to report a degree of success in the sale of some lots for development in accordance with the comprehensive plan for the Freeport.

The expansion of the Beach Hotel has also had to be re-scheduled, as the negotiations we had started with potential investors did not materialize. We are however actively pursuing the matter, as we fully understand the central role of the property in the overall development plan.

### **Operating Results**

Gross revenue for the year was \$137,975,599, compared with \$183,282,149 for 1993/1994. There was a net loss on operations of \$63,855,566, compared with a net loss of \$2,931,275 in 1993/1994. Net proceeds from the sale of some shops in the shopping centre and some apartments in the Seawind Apartment Complex in this financial year was \$7,476,024 which reduced the overall net loss to \$56,379,542.

The increased marketing efforts for the Hotel did not have immediate spin-offs. This however, was not surprising, given the intense competition in the global tourism marketplace. Only with a generous budget and sustained presence in the market, coupled with a comprehensive rehabilitation programme, will we see positive results. We must be committed to our goal for the development of Montego Freeport and provide the necessary supports to facilitate its realization.

### **Management and Staff**

The management and staff are to be congratulated for their sterling work in the face of the many challenges experienced during the year. We commend them most sincerely and look forward to their continued commitment to the success of the Company.

DR. VINCENT LAWRENCE

20TH OCTOBER, 1995

# REPORT OF THE DIRECTORS

Your Directors submit their report for the 12 Months ended 31 March 1995 together with the Audited Statements of the Company for the period 1 April 1994 to 31 March 1995.

## Financial Results

The turnover for the period under review was \$137,975,599 resulting in a net loss of \$56,379,542. Group trading losses before interest income, taxation and extraordinary items was \$88,624,453 compared with a loss of \$13,993,360 for 1994. It must be noted that net gains on sale of apartments and shops transferred were \$7,476,024. Interest earned this year was \$24,431,823 compared with \$12,083,703 in 1993/1994. Net losses attributable to stockholders of the company was \$56,379,542. Details of the results are set out in the Audited Accounts on Pages 8 to 11.

## DIVIDEND

No dividend can be recommended at this time.

## DIRECTORS

The retiring Directors Mrs. Maizie O'Reggio-Alexander and Mr. Gladstone Wright being eligible offer themselves for re-election.

## AUDITORS

Price Waterhouse, Chartered Accountants have signified their willingness to continue as our Auditors.

BY ORDER OF THE BOARD

E. JOYCE CHANG

SECRETARY

DATED THIS 20TH DAY OF OCTOBER, 1995

**ORDINARY RESOLUTIONS**

1. (1) Audited Statements and Directors Report

BE IT RESOLVED:-

'That the Audited Statements for the period ended 31 March 1995 and the Report of the Directors thereon be and are hereby taken as read.'

(2) Adoption of Audited Statements and Reports

BE IT RESOLVED:-

'That the Audited Statements for the period ended 31 March 1995 and the Reports of the Auditors and Directors thereon be and are hereby adopted.'

2. Election of Directors

(1) Mrs. Maizie O'Reggio-Alexander

BE IT RESOLVED:-

'That Mrs. Maizie O'Reggio-Alexander be and is hereby re-elected a Director for the ensuing year.'

(2) Mr. Gladstone Wright

BE IT RESOLVED:-

'That Mr. Gladstone Wright be and is hereby re-elected a Director for the ensuing year.'

AUDITORS REMUNERATION

BE IT RESOLVED:-

'That the Directors be and are hereby authorised to fix the remuneration of the Auditors.'