



**National Industrial
& Commercial
Investments Ltd.**

20

Annual Report

12

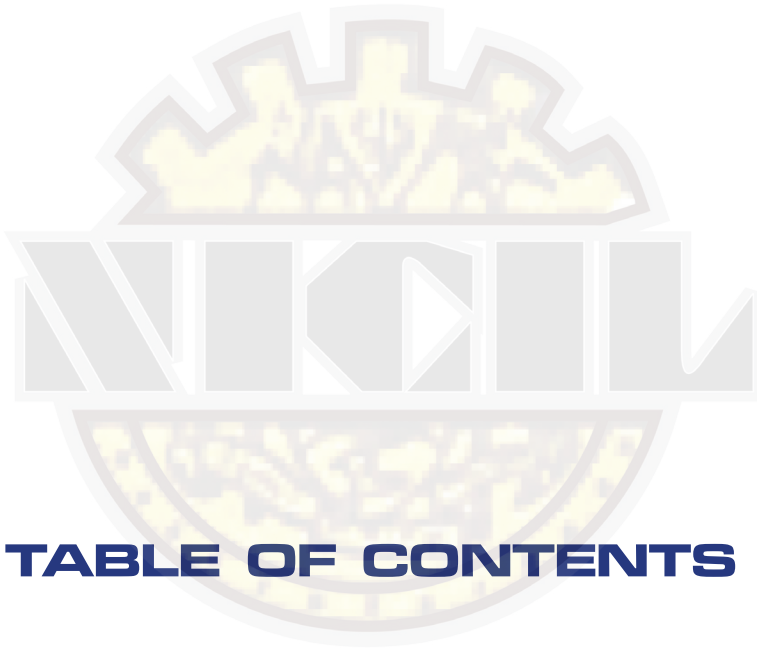


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CORPORATE INFORMATION

CHAIRMAN	Dr. Ashni Singh Honorable Minister of Finance
DIRECTOR	Dr. Roger Luncheon Head of the Presidential Secretariat
DIRECTOR	Ms. Sonya Roopnauth Director, Office of the Budget, Ministry of Finance
DIRECTOR	Mr. Nigel Dharamlall Permanent Secretary, Ministry of Amerindian Affairs
DIRECTOR	Mr. Winston Brassington Executive Director, NICIL
REGISTERED OFFICE	126 Parade & Barrack Streets, Kingston, Georgetown, Guyana. Telephone: (592) 225-0317 Facsimile: (592) 226-6426
AUDITORS	Audit Office of Guyana 63 High Street, Kingston, Georgetown, Guyana

REPORT OF THE DIRECTORS

The Board submits the Annual Report of the National Industrial and Commercial Investments Limited (the Company) including its Audited Financial Statements for the year ended 31st December 2012.

Results

The Company's revenue amounted to G\$6,965,255,955 for the year ended 31st December 2012. Profit after taxation totaled G\$6,205,540,074.

Earnings per share amounted to G\$62,055.

Dividends

The Directors approved an interim dividend to its shareholder in the amount of G\$1,000,000,000 for the year 2012. No further dividends are proposed.

Directors

The Directors, Dr. Ashni Singh, (Minister of Finance), Dr. Roger Luncheon, (Head of the Presidential Secretariat), Ms. Sonya Roopnauth, (Director, Office of the Budget, Ministry of Finance), Mr. Nigel Dharamlall, (Permanent Secretary, Ministry of Amerindian Affairs) and Mr. Winston Brassington, (Executive Director) served throughout the year.

Directors Remuneration

No emoluments were paid to the Directors during the year.

Service Contracts with Directors

Other than Mr. Winston Brassington who has a Contract for Service with NICIL, there were no other contracts between the National Industrial and Commercial Investments Limited and any other of its Directors.

Going Concern

The Directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the “going concern” basis for preparing the accounts.

Auditors

NICIL, a wholly state-owned company, is required by Section 24(1) of the Audit Act 2004, to have its financial statements audited by the Audit Office of Guyana.

By Order of the Board



.....
Marcia Nadir-Sharma
Company Secretary

December, 2013

**AUDITED FINANCIAL
STATEMENTS**

of the

**National Industrial
& Commercial Investments Ltd.**

for the year ended

31st DECEMBER, 2012



Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana

Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>

AG: 141/2013

22 November 2013

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS OF THE
NATIONAL INDUSTRIAL AND COMMERCIAL INVESTMENTS LIMITED (NICIL)
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

I have audited the accompanying financial statements of National Industrial and Commercial Investments Limited (NICIL), which comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The Audit was conducted in accordance with the Audit Act 2004.

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 for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements give a true and fair view, in all material respects, of the financial position of National Industrial and Commercial Investments Limited (NICIL) as at 31 December 2012, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Companies Act 1991.



AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA.

National Industrial & Commercial Investments Ltd.

Statement of Comprehensive Income

for the year ended 31 December 2012

	Note	2012 G\$000	2011 G\$000
Revenue	3	6,957,096	4,551,485
Operating expense	4	154,720	179,412
Operating profit		6,802,376	4,372,073
Interest and other income		8,159	21,480
EXPENSES			
Administrative expenses		435,313	383,301
Provisions for bad debts & stock obsolescence		-	1,359,558
Write-off of creditor		-	(59,689)
Depreciation		71,881	114,162
		507,194	1,797,332
PROFIT BEFORE TAXATION	5	6,303,341	2,596,221
TAXATION	6	(97,801)	(71,914)
PROFIT AFTER TAXATION		6,205,540	2,524,307
EARNINGS PER SHARE	8	62	25

“The notes on pages 12 to 29 form an integral part of these financial statements”.

National Industrial & Commercial Investments Ltd.

Statement of Changes in Equity
for the year ended 31 December 2012

	Note	Share Capital G\$000	Retained Earnings G\$000	General Reserve G\$000	Other Reserve (Merger Equity) G\$000	Total G\$000
Balance at 31 December 2010		100	553,985	1,666,270	2,703,757	4,924,112
Net profit for the year		-	2,524,307	-	-	2,524,307
Restatement to reflect unrecorded assets	7				1,785,787	1,785,787
Dividends paid	9	-	(2,154,241)	-	-	(2,154,241)
Balance at 31 December 2011		100	924,051	1,666,270	4,489,544	7,079,965
Net profit for the year		-	6,205,540	-	-	6,205,540
Restatement to reflect unrecorded assets	7				9,775	9,775
Dividends paid	9	-	(1,000,000)	-	-	(1,000,000)
Balance at 31 December 2012		100	6,129,591	1,666,270	4,499,319	12,295,280

“The notes on pages 12 to 29 form an integral part of these financial statements”.

National Industrial & Commercial Investments Ltd.Statement of Financial Position -
for the year ended 31 December 2012

	Note	2012 G\$000	2011 G\$000
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	10	1,409,267	1,638,945
Investments	11	5,065,768	5,546,106
		-----	-----
		6,475,035	7,185,051
CURRENT ASSETS			
Inventories	12	416,200	416,200
Receivables	13	1,800,920	791,504
Related parties	14	217,828	218,650
Cash and deposits	15	8,327,539	1,029,201
		-----	-----
		10,762,487	2,455,555
		-----	-----
TOTAL ASSETS		17,237,522	9,640,606
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	16	100	100
Retained earnings		6,129,591	924,051
Other reserve		4,499,319	4,489,544
General reserve		1,666,270	1,666,270
		-----	-----
		12,295,280	7,079,965
		-----	-----
NON-CURRENT LIABILITIES		288,725	288,725
CURRENT LIABILITIES			
Payables	18	762,060	1,326,811
Related parties	14	3,248,781	400,230
Taxation payable		642,676	544,875
		-----	-----
		4,653,517	2,271,916
		-----	-----
TOTAL EQUITY AND LIABILITIES		17,237,522	9,640,606

The Board of Directors approved these financial statements for issue on 31 October 2013.....



Director



Director



Director

"The notes on pages 12 to 29 form an integral part of these financial statements".

National Industrial & Commercial Investments Ltd.

Statement of Cash Flows

for the year ended 31 December 2012

OPERATING ACTIVITIES	2012 G\$000	2011 G\$000
Profit for the year	6,303,341	2,596,221
Adjustments for:		
Gain on disposal	70,831	2,528
Depreciation	71,881	114,162
	-----	-----
Operating profit before working capital changes	6,446,053	2,712,911
Working capital changes:		
Increase in inventories	-	277,467
Increase in receivables	(1,009,416)	655,737
Increase in payables	(564,751)	(1,056,148)
Increase in related parties	2,849,373	486,338
	-----	-----
Cash Generated from Operating Activities	7,721,259	3,076,305
	-----	-----
Net Cash Inflow - Operating Activities	7,721,259	3,076,305
	-----	-----
INVESTING ACTIVITIES		
Proceeds from disposal of property and equipment	100,000	-
Increase in investments	480,338	(3,429,159)
Reclassification of fixed assets	17,723	-
Acquisition of property and equipment	(30,757)	(319,226)
	-----	-----
Net Cash Outflow - Investing Activities	567,304	(3,748,385)
	-----	-----
FINANCING ACTIVITIES		
Dividends paid	(1,000,000)	(2,154,241)
Restatement to reflect unrecorded assets	9,775	1,785,786
	-----	-----
Net Cash Outflow - Financing Activities	(990,225)	(368,455)
	-----	-----
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	7,298,338	(1,040,535)
	-----	-----
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	1,029,201	2,069,736
	-----	-----
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	8,327,539	1,029,201
	=====	=====

“The notes on pages 12 to 29 form an integral part of these financial statements”.

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

1. INCORPORATION AND BUSINESS ACTIVITIES

(a) Incorporation

National Industrial & Commercial Investments Ltd. (NICIL) was incorporated as a company under the Companies Act Chapter 89:01 on the 18th July, 1990, but did not begin to function as a Company until the appointment and assumption of duty of the Executive Director on the 15th July, 1991.

Effective 1 January, 2002 a Management Co-operation Agreement (MCA) was signed appointing the Privatisation Unit (PU) as exclusive manager of NICIL. Under the agreement all privatisation expenses would be funded by NICIL. Additionally NICIL agreed that any privatisation of NICIL's assets would be in accordance with Privatisation Policy Framework Paper (PPFP) of 1993.

(b) Principal Activities

The primary objectives of the company "NICIL" is that of subscribing for, taking or otherwise acquiring and holding the Government shares, stocks, debentures or other securities of any company, co-operatives societies or body corporate.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention except for certain properties and investments that were measured at nominal amounts, as explained in the policies below, and in accordance with International Financial Reporting Standards as issued by the IAS Board.

These Financial Statements are presented in Guyana dollars.

(b) Property and equipment

Property and equipment are stated at cost or at nominal amounts less accumulated depreciation. The Company depreciates its property and equipment other than freehold land and construction work in progress on the straight line method at rates which are estimated to reduce these assets to their residual value at the end of their useful lives:

The annual rates are:

Buildings	2%
Furniture and equipment	10%
Motor vehicles	25%

The gain or loss arising on disposal or retirement of an item of fixed assets is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Foreign currency**

Foreign currency transactions completed during the year are translated to Guyana dollars at the National Bank of Industry & Commerce Limited Cambio rates of exchange ruling at the dates of such transactions. At Balance sheet date all amounts denominated in foreign currencies are translated to Guyana dollars at the National Bank of Industry & Commerce Limited Cambio exchange rates ruling at that date or at rates agreed by Bank of Guyana. Gains and losses resulting from such transactions are included in the Statement of Comprehensive Income.

(d) General reserves

The Company took a conservative approach, in accordance with IAS 20 (para 23), in valuing properties that were vested or transferred at a nominal value.

In addition this account is used to account for shares transferred from the Government of Guyana to NICIL.

(e) Revenue recognition

In relation to the sale of property, income is recognised in the Statement of Comprehensive Income, when the significant risks and rewards of ownership have been transferred to the buyer. Significant risks and rewards of ownership are transferred to the buyer upon publication of the Vesting Order or passing of the Transport.

All other income categories are recognised on an accrual basis except when collection is considered doubtful, or payment is outstanding for more than the time specified in the Agreement of Sale. In such cases income is accounted for on a cash basis.

(f) Expenditure

Expenses are recognised in the Statement of Comprehensive Income on an accrual basis at the fair value of the consideration paid/payable.

(g) Investments

Investments in subsidiaries, associates and trade investments were valued at nominal cost.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value with cost being determined on the first-in-first out basis

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Dividends

Dividends that are proposed and declared are recorded as an appropriation of retained earnings in the statement of changes in equity in the period in which they have been paid.

(j) Cash & cash equivalents

For the purposes of presentation in the Statement of Cash Flows; cash and cash equivalent comprise of cash on hand and balances with banks.

(k) Taxation

Provision is made for deferred tax using the liability method for all temporary differences arising between the tax bases of the assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred corporation tax.

The principal temporary differences arise from depreciation on property, plant and equipment and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

(l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into the risk and uncertainties surrounding the obligation.

(m) Grants

Government subventions are recognised in the Statement of Comprehensive Income in the period in which the related expenses are recognised.

Grants for non-current assets are recognised as deferred income and are recognised in the Statement of Comprehensive Income over the periods and in proportions in which depreciation expense on those assets is recognised.

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(n) Financial Instruments**

Financial assets and liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Debtors and other receivables

Debtors and other receivables are measured at amortised cost.

Appropriate allowances for estimated unrecoverable amounts are recognized in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired.

The allowance recognised is based on management's evaluation of the collectability of the receivables.

Creditors and other payables

Creditors and other payables are measured at amortised cost.

(o) Business reporting division

A business reporting division is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business divisions. A geographical division is engaged in providing services within a particular economic environment that are subject to risks and returns that are different from those of divisions operating in other other economic environments.

The Company's operations are considered a single business unit with only a single activity segmented along geographical line in Guyana.

(p) Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of it's tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If recoverable amount of an asset is estimated to be less than its carrying value, an impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

3. GROSS REVENUE	2012 G\$000	2011 G\$000
Properties	399,026	334,105
Capital proceeds	5,558,070	1,583,899
Dividends received	1,000,000	2,633,481
	6,957,096	4,551,485
	6,957,096	4,551,485
4. OPERATING EXPENSE		
Real estate	154,647	179,282
Industrial estate	73	130
	154,720	179,412
	154,720	179,412
5. NET PROFIT BEFORE TAXATION		
Net profit before taxation is shown after accounting for:	6,303,341	2,596,221
Audit fees	-	-
Interest expenses	-	-
	6,303,341	2,596,221
	6,303,341	2,596,221
6. TAXATION		
The provisional credit for taxation in the financial statements is made up as follows:-		
Current:		
Corporation tax -30%	-	-
Property tax	97,801	71,914
	97,801	71,914
Provisional charge	97,801	71,914

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

	2012 G\$000	2011 G\$000
6. TAXATION (CONT'D)		
Reconciliation of corporation tax expense and accounting profit		
Profit before taxation	6,303,341	2,596,221
	=====	=====
Corporation tax 30%	1,891,002	908,677
Property and withholding taxes	97,801	71,914
Income exempt from corporation tax	(1,926,838)	(928,207)
Deferred tax not recognised	35,836	19,530
	-----	-----
	97,801	71,914
	=====	=====

The Company incurred a tax loss of \$101,591,437 (2011-\$5,795,024) in the current year. It has tax losses of \$960,227,286 (2011-\$858,635,849) available to offset against future pre-tax profits.

7. GENERAL AND OTHER RESERVES

(i) In 2003 BIDCO, previously recorded nominally in NICIL financial statements, was wound up by Vesting Order # 45 of 2003. Consequently, 100% of LINMINE, 100% of BERMINE and 49.9% of Surpana was vested into NICIL.

(ii) In 2003 Small Business Credit Initiative was wound up by Vesting Order # 27 of 2003 and specific assets and liabilities were vested into NICIL. In 2004 LINMINE was wound up by Vesting Order #36 of 2004 and specific assets and liabilities were vested into NICIL. In 2008 NEOCOL was wound up by Vesting Order # 7 of 2008 and specific assets and liabilities were vested into NICIL. In 2011 Aroaima Mining Co. was wound up by Vesting Order # 5 of 2011 and specific assets and liabilities were vested into NICIL.

8. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of shares in issue during the year.

	2012 G\$	2011 G\$
Profit attributable to shareholders	6,205,540,000	2,524,307,000
	=====	=====
Weighted average number of shares in issue	100,000	100,000
	=====	=====
Basic earnings per share	62,055	25,243
	=====	=====

National Industrial & Commercial Investments Ltd.Notes to the Financial Statements
for the year ended 31 December 2012

		2012 G\$000	2011 G\$000
9. DIVIDENDS PAID			
	\$10,000 (2011 - \$21,542) per share	1,000,000	2,154,541
10. PROPERTY AND EQUIPMENT			
Cost			
Balance at 1 January 2012			2,359,822
Additions	1,370,075	962,462	27,285
Reclassification	25,000	5,757	-
Disposals	-	(22,154)	-
	(87,588)	(416,813)	(2,633)
Balance at 31 December 2012	1,307,487	529,252	24,652
Depreciation			
Balance at 1 January 2012			720,877
Charge for the year	85,809	618,709	16,359
Reclassification	13,067	55,142	3,672
Write back on disposal	-	(4,431)	-
	(3,205)	(330,365)	(2,633)
Balance at 31 December 2012	95,671	339,055	17,398
Net Book Values			
Balance at 31 December 2012	1,211,816	190,197	7,254
			-
			1,409,267

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

10. PROPERTY AND EQUIPMENT

	Land and Buildings G\$000	Furniture and Equipment G\$000	Motor Vehicles G\$000	Work in Progress G\$000	2010 Total G\$000
Cost					
Balance at 1 January 2011	1,284,850	747,274	14,570	-	2,046,694
Additions	-	1,680	10,550	-	12,230
Additions - AMC	85,545	217,673	3,777	-	306,995
Disposals	(320)	(4,165)	(1,612)	-	(6,097)
Balance at 31 December 2011	1,370,075	962,462	27,285	-	2,359,822
Depreciation					
Balance at 1 January 2011	72,404	524,371	13,511	-	610,286
Charge for the year	13,456	96,246	4,460	-	114,162
Write back on disposal	(51)	(1,908)	(1,612)	-	(3,571)
Balance at 31 December 2011	85,809	618,709	16,359	-	720,877
Net Book Values					
Balance at 31 December 2011	1,284,266	343,753	10,926	-	1,638,945

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

11. INVESTMENTS			2012	2011
Trade Investments	% Owned	# of Shares	G\$000	G\$000
Guyana Stores Limited	3.19	3,188,473	3,188	3,188
Omai Gold Mines Inc.	5	500	1	1
Guyana Stockfeeds Limited ¹	7	7,000,000	7,000	7,000
Caribbean Food Corporation	7	7,186	-	-
New GPC Inc.	10	761,566	76,157	76,157
Berbice River Bridge Inc.	0	1	-	-
LIDCO	0	-	-	-
Bauxite Company of Guyana inc.	10	-	443,426	443,426
Hand in Hand Trust Corporation Inc.	10	250,000	25,000	25,000
			<u>554,772</u>	<u>554,772</u>
Investments in Associates				
Guyana Telephone and Telegraph Company Limited. ²	20	4,125	-	474,375
Surpana Allied & Agriculture Services Ltd. ³	49.9	49,900	-	-
Bosai Mineral Group Guyana Inc.	30	5,223,208	1,044,642	1,044,642
			<u>1,044,642</u>	<u>1,519,017</u>
Investments in Subsidiaries				
Property Holdings Inc.	73.63	73,625,044	73,625	73,625
Guyana National Printers Limited	99.6	280,516	2,805	2,805
Guyana National Shipping Corporation Ltd.	100	2,796,642	2,797	2,797
Guyana Oil Company Limited	100	574,999	575	575
National Communication Network	100	35,000,000	220,329	231,922
Guyana National Newspapers Limited	90	2,203,200	66,510	66,510
LINMINE	100	3,482,661	-	-
Madhia/Matthews Ridge/Port Kaituma Elect.	100	-	128	128
Guyana World Cup Inc.	100	-	28,820	28,820
Linden Electricity Company Inc.	100	73,000	7,300	7,300
Atlantic Hotel Inc.	100	10,000	2,916,466	2,036,800
GNCB	95.3	2,382,299	-	-
Lethem Power Company Inc.	100	17,030	17,030	17,030
Kwakwani Utilities Inc.	100	44,086	129,969	54,005
			<u>3,466,354</u>	<u>2,522,317</u>
Berbice Bridge Inc Preference Shares ⁴			-	950,000
Total			<u><u>5,065,768</u></u>	<u><u>5,546,106</u></u>

1 - Despite a judgment in favour of restoring NICIL's previous shareholding in Guyana StocksFeeds Ltd., the company has appealed the decision of Justice Jainarayan Singh. Pending the outcome of this appeal, the representative shareholding is likely to be increased.

2 - During the year NICIL sold all of its holdings in GT&T for US\$30m. To date US\$25m was received and the balance is payable in 2 years.

3 - The company is non operational and the financial position is unknown due to the unavailability of financial statements.

4 - During the year NICIL sold its Preference Shares Investment in the Berbice Bridge Co. Inc. to the National Insurance Board for G\$950m.

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

	2012 G\$000	2011 G\$000
12. INVENTORIES		
Stores and miscellaneous supplies	1,675,590	1,675,590
Provision for obsolescence	(1,259,390)	(1,259,390)
	-----	-----
	416,200	416,200
	=====	=====
13. RECEIVABLES		
Trade receivables	2,035,777	978,739
Other receivables	563,492	611,114
Provision for bad debts	(798,349)	(798,349)
	-----	-----
	1,800,920	791,504
	=====	=====
14. RELATED PARTIES		
<p>Parties are considered related if (a) one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions or (b) the party is a member of a key management personnel.</p>		
Amount due from:		
Property Holdings Inc.	850	-
Government of Guyana	169,038	167,970
Kwakwani Utilities Inc.	21,713	21,691
LINMINE	2,059	2,059
Guyana Electricity Corp.	566,633	566,633
Guyana Telephone & Telegraph Co.	142,738	142,738
Guyana National Shipping Limited	5,127	17,804
GUYSUCO	21,100	11,185
Provision for Bad debts	(711,430)	(711,430)
	-----	-----
	217,828	218,650
	=====	=====

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

	2012 G\$000	2011 G\$000
14. RELATED PARTIES (CONT'D)		
Amount due to:		
Property Holdings Inc.	-	40,100
GNCB / PHI	379,725	333,970
Guyana Power & Light	2,806,831	-
Atlantic Hotel Inc	710	-
Lethem Power Company	61,515	26,160
	-----	-----
	3,248,781	400,230
	=====	=====
<p>The amounts due from / (to) the related parties are unsecured, interest free and carry no fixed terms of repayment.</p>		
15. CASH AND DEPOSITS		
Current accounts	35,245	40,226
Savings accounts	8,291,812	988,251
Cash on hand	482	724
	-----	-----
	8,327,539	1,029,201
	=====	=====
16. SHARE CAPITAL		
Authorised		
100,000 ordinary shares	100	100
	=====	=====
Issued and fully paid		
100,000 Ordinary Shares	100	100
	=====	=====

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

	2012 G\$000	2011 G\$000
17. RELATED PARTY TRANSACTIONS		
(a) Directors' emoluments (Privatisation Unit)		
P. Dial	90	90
	-----	-----
	90	90
	=====	=====
(b) Key management compensation		
The company's key management personnel comprise its Directors, its Chief Executive Officer and its Managers. The remuneration paid to key management personnel during the year was as follows:		
Short-term benefits	47,683	41,781
	=====	=====
(c) Other transactions		
Net advances to subsidiaries:	(822)	(410,250)
Net advances from subsidiaries:	2,848,551	76,088
Dividends received	1,000,000	2,633,481
	=====	=====
18. PAYABLES		
Trade creditors	50,398	49,934
Other creditors	705,230	1,253,922
Accruals	6,432	22,955
	-----	-----
	762,060	1,326,811
	=====	=====

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

19. CAPITAL RISK MANAGEMENT

The Company manages its capital structure on an on-going basis. As part of this review, management considers the cost of capital and risks associated with each class of capital. The capital structure of the Company consists of equity comprising issued capital, retained earnings and reserves.

20. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

Financial instruments carried at the reporting date include investment securities, loans and advances, receivables, cash resources, borrowings, payables and accruals.

(i) Analysis of Financial Assets and Liabilities by measurement basis

	2012			
	Available for sale G\$000	Loans and receivables G\$000	Financial assets and liabilities at amortised cost G\$000	Total G\$000
Assets				
Investments	554,772	-	4,479,876	5,034,648
Receivables and prepayments	-	1,800,920	-	1,800,920
Related parties	-	-	217,828	217,828
Cash and bank	-	-	8,327,539	8,327,539
	-----	-----	-----	-----
Total assets	554,772	1,800,920	13,025,243	15,380,935
Liabilities				
Payables and accruals	-	-	1,050,785	1,050,785
Related parties	-	-	3,248,781	3,248,781
Taxation payable	-	-	642,676	642,676
	-----	-----	-----	-----
Total liabilities	-	-	4,942,242	4,942,242

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

20. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (CONT'D)**(i) Analysis of Financial Assets and Liabilities by measurement basis (cont'd)**

				2011
	Available for sale G\$000	Loans and receivables G\$000	Financial assets and liabilities at amortised cost G\$000	Total G\$000
Assets				
Investments	554,772	-	4,991,333	5,546,105
Receivables and prepayments	-	791,504	-	791,504
Related parties			218,650	218,650
Cash and bank	-	-	1,029,201	1,029,201
	-----	-----	-----	-----
	554,772	791,504	6,239,184	7,585,460
	=====	=====	=====	=====
Liabilities				
Payables and accruals	-	-	1,326,811	1,326,811
Related parties			400,230	400,230
Taxation payable	-	-	544,875	544,875
	-----	-----	-----	-----
	-	-	2,271,916	2,271,916
	=====	=====	=====	=====

(ii) Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk

The Company seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk and credit risk

(a) Market risk

The Company is exposed to changes in market risk for some of its financial instruments but these are continuously being monitored and adequate policies are in place to minimise any such risk

(i) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The company is exposed to various risks that are associated with the effects in interest rates. This impacts directly on its cash flows

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

20. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (CONT'D)

(i) Interest rate risk (cont'd)

The maturity profile of the Company's assets and liabilities are as follows:

	Maturing 2012			
	Average Interest rate	Within 1 Year G\$000	Non-Interest Bearing G\$000	Total G\$000
Assets				
Investments		-	5,065,768	5,065,768
Receivables		-	1,800,920	1,800,920
Related parties		-	217,828	217,828
Cash and bank	2-3%	8,291,812	35,727	8,327,539
		-----	-----	-----
		8,291,812	7,120,243	15,412,055
		=====	=====	=====
Liabilities				
Payables and accruals		-	1,050,785	1,050,785
Related Parties		-	3,248,781	3,248,781
Taxation payable		-	642,676	642,676
		-----	-----	-----
		-	4,942,242	4,942,242
		=====	=====	=====
Interest Sensitivity gap		8,291,812		
		=====		
Maturing 2011				
Assets				
Investments	-	-	5,546,106	5,546,106
Receivables			791,504	791,504
Related parties			218,650	218,650
Cash and bank	2-3%	988,251	40,950	1,029,201
		-----	-----	-----
		988,251	6,597,210	7,585,461
		=====	=====	=====
Liabilities				
Payables and accruals		-	1,326,811	1,326,811
Related parties		-	400,230	400,230
Taxation payable		-	544,875	544,875
		-----	-----	-----
		-	2,271,916	2,271,916
		=====	=====	=====
Interest Sensitivity gap		988,251		
		=====		

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

20. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (CONT'D)**(a) Market risk (cont'd)****(ii) Currency risk**

The Company is exposed to foreign currency risk due to fluctuations in exchange rates on balances that are denominated in foreign currencies.

The aggregate Guyana dollars amount of assets and liabilities denominated in United States dollars are shown below:

	2012	2011
	G\$000	G\$000
Assets	6,739,976	547,845
	=====	=====
Liabilities	-	-
	=====	=====

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 2% increase or decrease in the Guyana dollar against the relevant currencies. Although a rate is not normally adopted and used as a measure, 2% gives a prudent possibility of a change in rate.

The sensitivity analysis shows the impact of all assets held in foreign currencies per the preceding table. A positive number below indicates an increase in profit if the currency were strengthened 2% against the Guyana dollar. If the currencies were weakened 2% against the Guyana dollar, there would be an equal and opposite impact on the profit and the balances below would be negative.

Loss	-	-
	=====	=====

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

20. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (CONT'D)**(a) Market Risk cont'd****(iii) Price risk**

Price risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors affecting all securities traded in the market.

Management continually identifies, evaluates underwrites and diversifies risks in order to minimize risk.

(b) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising fund to meet its commitments associated with financial instruments. The Company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

It is unusual for companies to have the maturities of its assets and liabilities completely matched since business transacted is often of uncertain term and differing types. As such the matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Company.

The information given below relates to the major financial assets and liabilities based on the remaining period at 31 December to contractual maturity dates.

	Maturing 2012			Total G\$000
	Within 1 Year G\$000	2 to 5 Years G\$000	Over 5 Years G\$000	
Assets				
Investments		-	5,065,768	5,065,768
Receivables	1,800,920	-		1,800,920
Related parties	217,828	-		217,828
Cash and bank	8,327,539	-		8,327,539
	----- 10,346,287	----- -	----- 5,065,768	----- 15,412,055
Liabilities				
Payables	762,060	288,725	-	1,050,785
Related party	3,248,781	-	-	3,248,781
Taxation payable	642,676	-	-	642,676
	----- 4,653,517	----- 288,725	----- -	----- 4,942,242
Net assets	----- 5,692,770	----- (288,725)	----- 5,065,768	----- 10,469,813

National Industrial & Commercial Investments Ltd.

Notes to the Financial Statements

for the year ended 31 December 2012

20. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (CONT'D)**(b) Liquidity risk (cont'd)**

	Maturing 2011			Total G\$000
	Within 1 Year G\$000	2 to 5 Years G\$000	Over 5 Years G\$000	
Assets				
Investments		-	5,546,106	5,546,106
Receivables	791,504	-	-	791,504
Related parties	218,650	-	-	218,650
Cash and bank	1,029,201	-	-	1,029,201
	<u>2,039,355</u>	<u>-</u>	<u>5,546,106</u>	<u>7,585,461</u>
Liabilities				
Payables	1,326,811	288,725	-	1,615,536
Related parties	400,230	-	-	400,230
Taxation payable	544,875	-	-	544,875
	<u>2,271,916</u>	<u>288,725</u>	<u>-</u>	<u>2,560,641</u>
Net assets /(liabilities)	<u>(232,561)</u>	<u>(288,725)</u>	<u>5,546,106</u>	<u>5,024,820</u>

(c) Credit risk

Credit risk is the risk that financial loss may arise from the failure of a customer to meet its obligation under a contract. It arises principally from conducting business with third parties.

Cash on hand and at bank are amounts held with banks and in vault. These banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their obligations as they fall due. The related risk is therefore considered low.

The Company faces credit risk in respect of its receivables and cash and equivalents. However, this risk is controlled by close monitoring of these assets by the company. The maximum credit risk faced by the Company is the balance reflected in the financial statements.

	2012 G\$000	2011 G\$000
Receivables and related parties	<u>2,018,748</u>	<u>1,010,154</u>
The above balances are classified as follows:		
Past due up to 3 months	146,730	21,566
Past due between 3 months to 1 year	516,601	141,853
Past due between 1 to 5 years	1,355,417	846,735
	<u>2,018,748</u>	<u>1,010,154</u>

The above balances are impaired.



Annual General Meeting 2012

FORM OF PROXY

The Secretary
National Industrial & Commercial Investments Limited
126 Barrack Street
Kingston
Georgetown
Guyana

I/We _____

of _____

A Member/Members of the National Industrial & Commercial Investments Limited hereby appoint

or in his/her absence

of _____

as my/our Proxy to vote in my/our name(s) and on my/our behalf upon any matter proposed at the ___ Annual General Meeting of the National Industrial & Commercial Investments Limited to be held on _____, 2013 or any adjournment thereof in such manner as such Proxy may think proper.

As witness my hand this _____ day of _____, 2013.

Signed by the Said _____
(Name of Member/s)

(Signature of Member/s)

Note: To be valid, this form must be completed and deposited with the Secretary at least 48 hours before the time appointed for the meeting or adjourned meeting.

