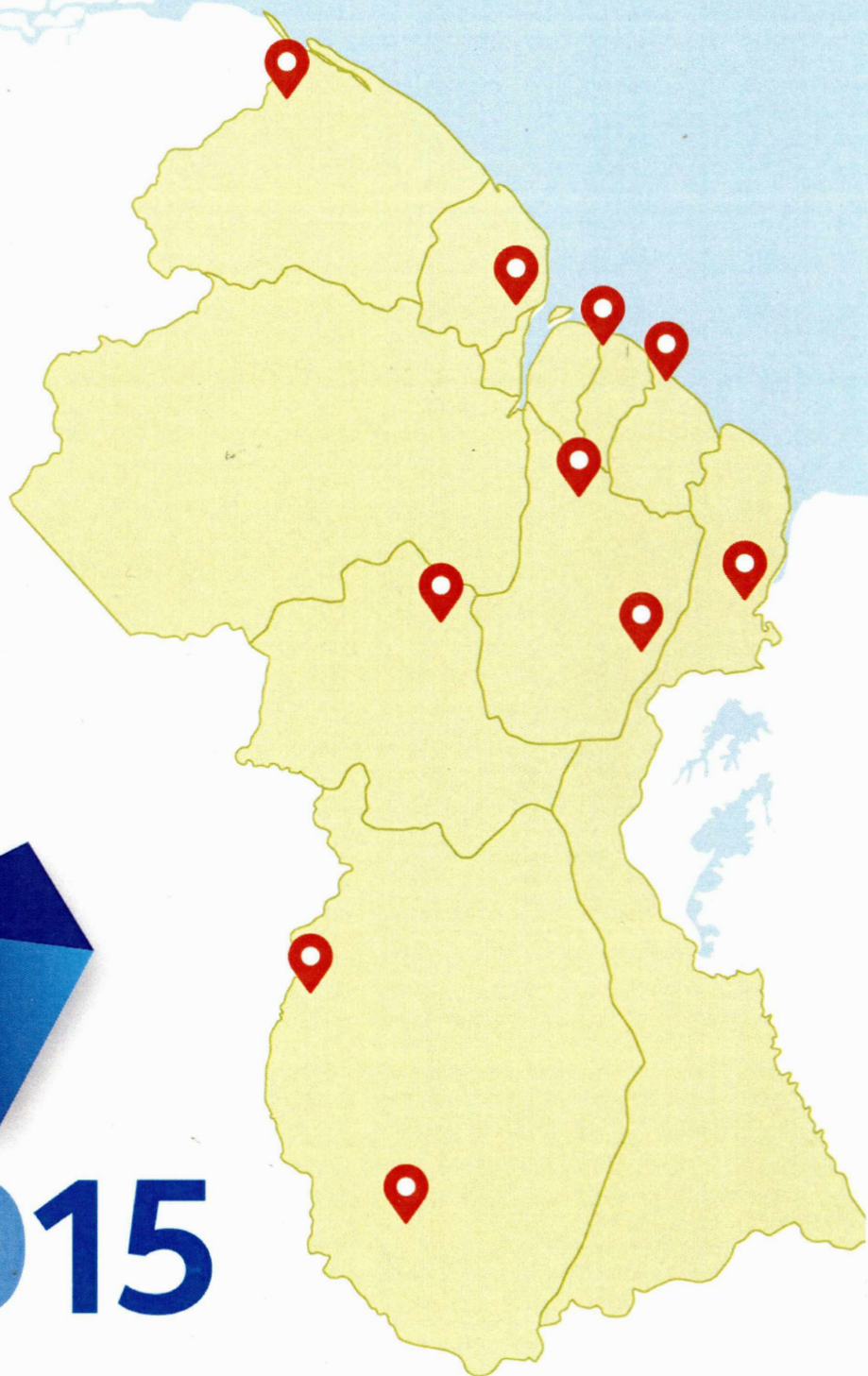


# NEN

RADIO AND TELEVISION FOR GUYANA



ANNUAL  
REPORT

2015



**ERRATUM – ANNUAL REPORT FOR FINANCIAL YEAR ENDED DECEMBER 31, 2015**

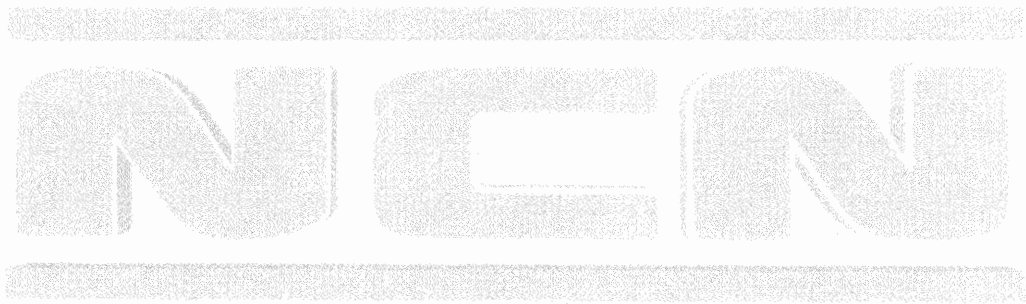
With reference to our Annual Report 2015, please be informed that the following part of the Annual report 2015 at pages 06 is by this Erratum amended, corrected and taken to read as shown herein instead of as printed in the Annual Report.

The erratum to this Annual Report is being made consequent to inadvertent errors made during the printing of the Annual Report.

**1. PAGE No: 06**

Printed: **NOTICE** is hereby given that the 12<sup>th</sup> Annual General Meeting of the National Communications Network Inc, for the period ended December 31, 2015, will be held on Thursday, **April 24, 2018**, in the NCN Boardroom, Homestretch Avenue, Durban Park, Georgetown, at 13:00 hrs (1:00 PM) for the following purposes:

Correction and substituted as: **NOTICE** is hereby given that the 12<sup>th</sup> Annual General Meeting of the National Communications Network Inc, for the period ended December 31, 2015, will be held on Tuesday, **April 24, 2018**, in the NCN Boardroom, Homestretch Avenue, Durban Park, Georgetown, at 13:00 hrs (1:00 PM) for the following purposes:



Annual Report 2015

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The National Communications Network Incorporated (NCN) is the largest public-funded radio and television broadcasting entity of the Cooperative Republic of Guyana. It has a rich history of more than a century profoundly rooted in the evolution of the Nation's broadcasting industry.

Primarily owing its existence to the Guyana Broadcasting Corporation (GBC) and the Guyana Television Broadcasting Corporation (GTV); NCN resulted from several developments throughout the broadcasting industry in Guyana.

### **The Birth of Radio**

It all began in 1913, when the West Indian Panama Telegraph Company established its first radio broadcast operation as an alternative to their submarine cable telegraph communication between a then 'British' Guyana and Trinidad.

Subsequently, broadcasting was done through the telephone system. In 1922 the British Broadcasting Corporation (BBC) started regular transmission. The initial local service involved short wave transmission and the telephone system. At that time, personnel who managed the operations had limited technical knowledge and telephone subscribers were treated to only two hours of weekly broadcasts from Daventry, England.

In 1927, the system was replaced with a short wave transmitter; as a result, listeners had to have a receiving set. This station, VRY, ceased operations in 1931. However, in 1935 due to the popularity of cricket, radio broadcasts were resumed to satisfy the demands of local audiences for commentary. As a result, two private commercial stations emerged; VP3BG and VP3MR. Three years later, the two stations were merged to form ZFY owned by the British Guiana United Broadcasting Company.

In July 1950 foreign company Rediffusion Ltd, a business engaged in the distribution of radio and television signals via wired relay networks, acquired controlling interest of station ZFY through its subsidiary the British Guiana United Broadcasting Company. As a result of this acquisition, the station was rebranded in 1951 and became Radio Demerara. Under the terms of the franchise, Rediffusion offered the Government 10 1/2 broadcasting hours weekly while it guaranteed the airing of BBC. However, soon after Radio Demerara was unable to balance its commitment to Government along with the large amounts of advertising; as a result Government allowed Rediffusion the opportunity to open the British Guiana Broadcasting Service (BGBS).

### **The Making of Guyana Broadcasting Corporation**

Both Radio Demerara and BGBS operated out of Broadcasting House on High Street. On October 1, 1968, the Government of a newly independent Guyana took over the BGBS's

### **The Making of Guyana Broadcasting Corporation (Cont'd)**

broadcasting facilities. This move resulted in the renaming of the BGBS to the Guyana Broadcasting Service (GBS); and its relocation to Lodge with Hugh Cholmondeley as the first General Manager.

On May 1, 1979 the Guyana Broadcasting Corporation (GBC) became the controlling body for both Radio Demerara and the GBS. In July 1980, GBC introduced channels one and two. Channel one operated on 760 kilohertz and 100.1 FM and highlighted rural programs from the region. While channel two, which was heard on 560 kilohertz and on the shortwave in the 49 meter band, contracted on general interest programming. Eight years later, following a public competition in 1997, channel one and two were renamed 'Radio Roraima' and 'Voice of Guyana', respectively; and, a new station, 98.1 Hot FM was born.

### **State Television & the Emergence of the Guyana Television Broadcasting Corporation**

Unlike radio, state television broadcasting is a more recent phenomenon in Guyanese culture. On April 1, 1993, the Guyana Television Broadcasting Company Limited (GTV) was established. The transition started in 1985 when the Guyana Film Center changed from film to video. Subsequent to the dissolution of the Ministry of Information in February, 1989, the Guyana Film Center was renamed the *Visual Production Center*, under the umbrella organization of the Guyana Public Communication Agency. As State television broadcaster, GTV's objective was to develop into a full-fledged network capable of self-producing a substantial amount of programs reflecting the political, social, economic, educational and cultural needs of Guyanese. In addition, it was GTV's intent to extend coverage to all populated areas of the Country; and to produce and archive video material of national and historical importance.

### **Merger of two State Broadcasting Entities**

Given the redundancies in employment costs and corporate services created through operating two state broadcasting organizations, the Government sought to recapitalize the operations of GBC and GTV through the amalgamation of both entities in an effort to attain sound financial viability.

On February 6, 2004, those efforts were realized when the GBC and the GTV were merged to form the National Communications Network Incorporated denoting a significant period in the history of public broadcasting in Guyana.

NATIONAL COMMUNICATIONS NETWORK INC.  
CORPORATE INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2015

---

**Jan-May 2015**

**CHAIRMAN** Prem Misir  
**DIRECTOR** Andrea Branford  
**DIRECTOR** Julianna Hutson  
**DIRECTOR** Leslyn Lowe  
**DIRECTOR** Kwame McCoy  
**DIRECTOR** Lavaughn Stewart

**Sep-Dec 2015**

**CHAIRMAN** Bishwa Panday  
**DIRECTOR** Imran Khan  
**DIRECTOR** Margaret Lawrence  
**DIRECTOR** Kojo McPherson  
**DIRECTOR** Paloma Mohamed-Martin  
**DIRECTOR** Gobardhan Resaul  
**DIRECTOR** Dhanwanti Sukhdeo-Metivier-Ali  
**DIRECTOR** Carolyn Walcott

**REGISTERED OFFICE**

**Homestretch Avenue,  
Durban Park,  
Georgetown,  
Guyana**

Telephone: (592) 227-1566/226-0116-7

Facsimile: (592) 226-2253

**AUDITORS**

Audit Office of Guyana  
63 High Street,  
Kingston,  
Georgetown,  
Guyana

**COMPANY LAWYER**

Ms. Jaya Manickchand  
Attorney-at-Law  
3<sup>rd</sup> Floor, Maraj Building  
185 Charlotte & King Streets,  
Georgetown,  
Guyana

## NOTICE OF ANNUAL GENERAL MEETING

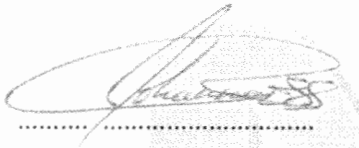
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**NOTICE** is hereby given that the 12<sup>th</sup> Annual General Meeting of the National Communications Network Inc, for the period ended December 31, 2015, will be held on Thursday, **April 24, 2018**, in the NCN Boardroom, Homestretch Avenue, Durban Park, Georgetown, at 13:00 hrs (1:00 PM) for the following purposes:

1. To receive and consider the Company's Accounts for the year ended December 31, 2015, and the Reports of the Directors and Auditors thereon.
2. To ratify the appointment of Directors.
3. To authorize the Directors to fix the remuneration of the Auditors.
4. To transact any other business of an Annual General Meeting.

Every member entitled to be present and vote at the meeting may appoint a proxy to attend and vote in his/her stead and such proxy need not be a member of the Company.

BY ORDER OF THE BOARD



JOHANNA ROSS  
COMPANY SECRETARY  
NATIONAL COMMUNICATIONS NETWORK INC.

April 4, 2018



NATIONAL COMMUNICATIONS NETWORK INC.  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

---

The Board of Directors submits the Annual Report of the National Communications Network (the Company) including its Audited Financial Statements for the period ended 31<sup>st</sup> December, 2015.

**Results**

The Company's revenue for the year amounted to G\$421,817,281 as compared with G\$432,083,649 for 2014, a decrease of G\$10,266,368 or approximately 2.376%.

Loss after taxation totaled G\$(186,596,205).

(Loss) earnings per share amounted to G\$(0.85).

**Dividends**

No dividends are proposed.

**Directors**

The Directors of the Company are appointed by the Shareholder and are eligible for reappointment.

**Directors Remuneration**

The Company issued a total of G\$320,000 in Director's fees for the financial period ended December 31, 2015.

	G\$
Prem Misir	80,000
Andrea Branford	48,000
Leslyn Lowe	48,000
Julianna Hutson	48,000
Lavaughn Stewart	48,000
Kwame McKoy	<u>48,000</u>
	<b><u>320,000</u></b>

**Service Contracts with Directors**

There were no service contracts between the National Communications Network Incorporated and any of its Directors during the year.

**Going Concern**

The Directors are satisfied that the Company has adequate resources to continue its operations for the foreseeable future. Consequently, they continue to adopt the "going concern" basis for preparing the accounts.

**Auditors**

NCN, 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. However, the Auditor General is empowered to contract the services of a Practising Accountant to act on his behalf. Nizam Ali & Company was engaged by the Auditor General to conduct the audits for the year ended December 31, 2015.

BY ORDER OF THE BOARD



JOHANNA ROSS  
COMPANY SECRETARY  
NATIONAL COMMUNICATIONS NETWORK INC.

April 4, 2018



National  
Communications  
Network Inc.

---

**AUDITED FINANCIAL STATEMENTS**

for the year ended

**DECEMBER 31, 2015**





## 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: 10 /2018

18 January 2018

### REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NATIONAL COMMUNICATIONS NETWORK INC. FOR THE YEAR ENDED 31 DECEMBER 2015

Chartered Accountants Nizam Ali and Company have audited on my behalf the financial statements of National Communications Network Incorporated, which comprise the statement of financial position as at 31 December 2015, the statement of profit and loss and other 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 as set out on pages 3 to 22.

#### *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 (IASs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. 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 amounts 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 the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

As required by the Audit Act 2004, I have reviewed the audit plan and procedures, working papers, report and opinion of the Chartered Accountants. I have also had detailed discussions with the Chartered Accountants on all matters of significance to the audit and had carried out additional examinations, as necessary, in arriving at my opinion.

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

*Basis for Qualified Opinion*

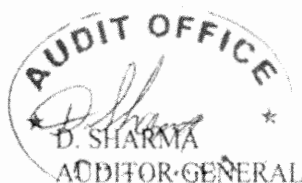
Title deeds for property with net book value of \$474,551,657 were not available and a fixed asset register was not maintained by the Company. Further, the Company only recognized annual depreciation charge on additions to fixed assets during the year. I was therefore uncertain of the ownership, existence and valuation of non current assets stated at \$1,802,143,072 and depreciation charge of \$8,811,483 in the financial statement.

*Emphasis of Matter*

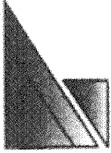
Without further qualifying my opinion, I draw attention to note 24 of these financial statements which explains that the Company's current liabilities exceed its asset by \$96,643,693. Further operations of the Company is dependent on the ongoing financial support of its sole shareholder.

*Opinion*

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Communications Network Incorporated as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards and comply with Companies Act 1991.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA



## Nizam Ali & Company

Chartered Accountants

215 'C' Camp Street  
North Cummingsburg  
Georgetown

Tel: (592)-227-8825  
Tele/Fax: (592)-225-7085  
E-mail: admin@nizamali.net

**REPORT OF CHARTERED ACCOUNTANTS  
NIZAM ALI AND COMPANY  
TO THE AUDITOR GENERAL  
ON THE FINANCIAL STATEMENTS OF NATIONAL COMMUNICATIONS NETWORK INC.  
FOR THE YEAR ENDED DECEMBER 31, 2015**

We have audited the accompanying financial statements of National Communications Network Inc., which comprise the statement of financial position as at December 31, 2015 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. Except as described in the basis of opinion paragraph, we conducted our audit in accordance with the Audit Office of Guyana Auditing Standards and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors consider 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis for Qualified Opinion**

Title deeds for property with net book value of \$474,551,657 were not available and a fixed asset register was not maintained by the company. Further, the company only recognised annual depreciation charge on additions to fixed assets during the year. We were therefore uncertain of the ownership, existence and valuation of non current assets stated at \$ 1,802,143,072 and depreciation charge of \$ 8,811,483 in the financial statement.


**Emphasis of Matter**

Without further qualifying our opinion, we draw attention to note 24 of these financial statements which explains that the Company's current liabilities exceed its asset by \$96,643,693. Further operations of the Company is dependent on the ongoing financial support of its sole shareholder.

**Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with Companies Act 1991.

*Nipam Ali & Partners*  
Chartered Accountants  
Georgetown, Guyana  
January 10, 2018





NATIONAL COMMUNICATIONS NETWORK INC.

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2015

		2015	2014
	Notes	\$	\$
Operating revenue	13	421,817,281	432,083,649
Cost of sales		23,437,472	35,871,584
Gross profit		398,379,809	396,212,065
Operating expenses	14	751,635,142	514,814,362
Depreciation		8,811,483	17,651,853
Net operating loss		(362,066,816)	(136,254,150)
Interest and other income		23,033,455	24,550,150
Deferred income	15	55,676,156	60,675,085
Income from subvention		96,761,000	81,761,000
Net (loss) profit before taxation	16	(186,596,205)	30,732,085
Taxation	17	-	-
Net (loss) profit after taxation		(186,596,205)	30,732,085
(Loss) earnings per share	18	(0.85)	0.14

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

NATIONAL COMMUNICATIONS NETWORK INC.  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Share capital	Deposit on shares	Reserves	Retained earnings	Capital subvention	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended December 31, 2015</b>						
As at beginning of year	220,553,395	-	554,536,331	491,793,785	128,724,979	1,395,608,490
Government Grant	-	-	-	-	28,615,000	28,615,000
Net loss for the year	-	-	-	(186,596,205)	-	(186,596,205)
Amortisation of Government Grant	-	-	-	-	(55,676,156)	(55,676,156)
As at end of year	220,553,395	-	554,536,331	305,197,580	101,663,823	1,181,951,129
<b>Year ended December 31, 2014</b>						
As at beginning of year	35,000,000	185,553,395	554,536,331	461,061,700	128,900,065	1,365,051,491
Increase in share capital	185,553,395	(185,553,395)	-	-	-	-
Government Grant	-	-	-	-	60,499,999	60,499,999
Net profit for the year	-	-	-	30,732,085	-	30,732,085
Amortisation of Government Grant	-	-	-	-	(60,675,085)	(60,675,085)
As at end of year	220,553,395	-	554,536,331	491,793,785	128,724,979	1,395,608,490

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

NATIONAL COMMUNICATIONS NETWORK INC.  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Assets	Notes	2015 \$	2014 \$
<b>Non-current assets</b>			
Property, plant and equipment	5	1,278,594,822	1,255,106,307
		1,278,594,822	1,255,106,307
<b>Current assets</b>			
Inventories	6	4,826,104	6,134,431
Trade and other receivables	7	78,166,141	191,761,766
Cash and cash equivalents	8	7,938,836	27,864,963
<b>Total current assets</b>		90,931,081	225,761,160
<b>Total assets</b>		1,369,525,903	1,480,867,467
<b>Shareholder's equity and liabilities</b>			
<b>Shareholder's equity</b>			
Share capital	9	220,553,395	220,553,395
Reserves	10	554,536,331	554,536,331
Capital subvention		101,663,823	128,724,979
Retained earnings		305,197,580	491,793,785
		1,181,951,129	1,395,608,490
<b>Current liabilities</b>			
Cash and cash equivalents	8	12,732,157	-
Trade and other payables	11	85,464,115	32,198,066
Provision for taxation	12	89,378,502	53,060,911
		187,574,774	85,258,977
<b>Total shareholder's equity and liabilities</b>		1,369,525,903	1,480,867,467

Director

Director

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

NATIONAL COMMUNICATIONS NETWORK INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
	\$	\$
<b>Cash flows from operating activities</b>		
Net (loss) profit before taxation	(186,596,205)	30,732,085
Depreciation	8,811,483	17,651,853
Operating (loss) profit before working capital changes	(177,784,722)	48,383,938
Change in inventories	1,308,327	69,296,034
Change in trade and other receivables	113,595,625	7,416,552
Change in trade and other payables	53,266,049	(9,487,669)
Cash generated from operations	(9,614,721)	115,608,855
Change in provision for taxation	36,317,591	(14,570,783)
<b>Net cash from operating activities</b>	<b>26,702,870</b>	<b>101,038,072</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(32,299,998)	(129,793,423)
<b>Net cash used in investing activities</b>	<b>(32,299,998)</b>	<b>(129,793,423)</b>
<b>Cash flows from financing activities</b>		
Change in subvention	(27,061,156)	(175,086)
<b>Net cash used in financing activities</b>	<b>(27,061,156)</b>	<b>(175,086)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(32,658,284)</b>	<b>(28,930,437)</b>
<b>Cash and cash equivalents as at the beginning of year</b>	<b>27,864,963</b>	<b>56,795,400</b>
<b>Cash and cash equivalents as at end of year</b>	<b>(4,793,321)</b>	<b>27,864,963</b>
Current asset	7,938,836	27,864,963
Current liabilities	-12,732,157	-
	(4,793,321)	27,864,963

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

NATIONAL COMMUNICATIONS NETWORK INC.  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

---

**1. Company identification**

**(a) Incorporation**

National communications Network Inc. (The Company) was incorporated under the companies Act no 29 of 1991 on February 6, 2004.

The Company is a state owned and operated radio and television station which is 100% owned by the National Industrial and Commercial Investments Ltd.

The Company has three major out of town branches namely, New Amsterdam- Berbice, Watooka-Linden and Anna Regina- Essequibo. The operations in Berbice and Linden are commercialised and earning revenues.

The Company also has several relay locations throughout the country to facilitate its national grid:

- a) Drill
- b) Benab
- c) Long Creek
- d) Essequibo branch

**(b) Principal Activity**

The principal activity of the company is to provide quality, educational, entertainment and inspiration programming in Guyana via radio and television broadcasting.

**2. New standards and interpretations adopted**

***New standards, amendments and interpretations adopted***

Annual improvements to the IFRS's 2010 - 2012 cycle and annual improvements to the IFRS's 2011-2013 Cycle in accordance with the International Financial Reporting Standards which were adopted in the current financial year are; IFRS 8 *Operating segments*, IFRS 13 *Fair Value Measurement*, IAS 16 & IAS 38 *Property, Plant and Equipment & Intangible assets* and IAS 24 *Related party disclosure*.

In addition, amendments to: IAS 19 *Defined benefit plan: Employee contributions*, IAS 32 *Offsetting Financial Assets and Financial Liabilities* and IAS 36 *Impairment of assets* were adopted in the current financial year.

The adoption of these amendments did not have any material effect on the company's financial statements.

***New standards, amendments and interpretations not yet adopted***

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2015, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements.

NATIONAL COMMUNICATIONS NETWORK INC.  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

---

**3. Significant accounting policies**

**(a) Statement of compliance and basis of preparation**

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS). They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The areas involving critical accounting estimates or a higher degree of judgement are identified in note 4.

The financial statements were authorised for issue by the Board of Directors on November 24, 2017.

**(b) Foreign currencies**

***Functional and presentation currency***

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates. The financial statements are presented in Guyana Dollars, which is the company's functional currency.

***Transactions and balances***

Transactions involving foreign currencies are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income.

**(c) Property, plant and equipment**

Property, plant and equipment is stated generally at historical cost, except for those measured at fair value, when they are tested for impairment. Historical cost includes expenditure directly attributable to the acquisition of the items.

Property, plant and equipment is tested for impairment whenever there is objective evidence that the carrying amount of the asset may exceed its recoverable amount. Any resulting impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of replaced parts is derecognised. All repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

NATIONAL COMMUNICATIONS NETWORK INC.  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

---

**3. Significant accounting policies, continued**

**(c) Property, plant and equipment, continued**

Depreciation of property, plant and equipment, is provided for over the estimated useful lives of the respective assets using the straight-line method. A full year's depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal.

The following annual depreciation rates are applicable for the respective asset categories:

Buildings	5%
Furniture and fixtures	10%
Equipment	20%
Motor vehicles	20%

No depreciation is provided on land and work in progress.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

**(d) Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is determined on an average cost basis and net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

**(e) Trade and other receivables**

Trade and other receivables are carried at original invoice value less a provision made for impairment of these receivables. A provision for impairment of trade and other receivable 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 receivables.

**(f) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held on call with the bank and other bank balances net of overdraft.

**(g) Trade and other payables**

Trade and other payables are recorded at cost.

**(h) Revenue recognition**

Sales represent the value of services provided to third parties which are recognized when persuasive evidence of the arrangement exists and collectability is reasonable assured.

NATIONAL COMMUNICATIONS NETWORK INC.  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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**3. Significant accounting policies, continued**

**(i) Taxation**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(j) Share capital**

Ordinary shares with discretionary dividends are classified as equity.

**(k) Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**(l) Going concern**

The accompanying financial statements have been prepared on a going concern basis, which assumes that the company will continue in operation for the foreseeable future.





NATIONAL COMMUNICATIONS NETWORK INC.  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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**3. Significant accounting policies, continued**

**(m) Financial instruments**

The company recognizes financial assets and financial liabilities when the company becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as at fair value through profit or loss, are measured at fair value plus transaction costs on initial recognition. Financial assets at fair value through profit or loss are measured at fair value on initial recognition and transaction costs are expensed when incurred.

Measurement in subsequent periods depends on the classification of the financial instrument.

**(i) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the statement of profit or loss and other comprehensive income.

The company's financial assets classified as FVTPL include cash and cash equivalents. The company does not currently hold any derivative instruments.

**(ii) Other financial assets and liabilities**

Other financial assets and liabilities are financial assets and liabilities that are not classified as FVTPL. Subsequent to initial recognition, other financial assets and liabilities are measured at amortized cost. Appropriate allowances for estimated unrecoverable amounts are recognized in statement of profit or loss and other comprehensive income when there is objective evidence that the asset is impaired. The allowance recognized is based on management's evaluation of the collectability of the receivables.

Trade and other payables, trade and other receivables are classified as other financial assets and liabilities.

**(n) Comparative information**

Where necessary, comparatives have been adjusted to conform with changes in presentation in the current year.

**(o) Subvention**

**(i) Revenue subvention**

Subvention that compensate the company's costs are recognised in the statement of profit or loss and other comprehensive income in the period that these costs are incurred. During the year the company received subvention totaling \$ 96,761,000 (2014 - \$ 81,761,000).

**(ii) Capital subvention**

Subvention relating to purchase of noncurrent assets is credited to the statement of profit or loss and other comprehensive income on a straight line basis over the expected lives of the related assets. During the year the company received capital subvention of \$28,615,000 (2014- \$ 60,499,999).

NATIONAL COMMUNICATIONS NETWORK INC  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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**4. Significant accounting estimates and judgments**

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

**(i) Impairment of assets**

When there are indications that an asset may be impaired, the company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

**(ii) Useful life of property, plant and equipment**

Property, plant and equipment is amortized over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of depreciation recorded during the year and the carrying value of property, plant and equipment.

**Critical accounting judgments**

In the preparation of these financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

**(i) Income taxes**

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

NATIONAL COMMUNICATIONS NETWORK INC.  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**5. Property, plant and equipment**

	<b>Land</b>	<b>Buildings</b>	<b>Furniture and fixtures</b>	<b>Equipment</b>	<b>Motor vehicles</b>	<b>Work in progress</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cost</b>							
At January 1, 2015	84,008,900	380,217,026	72,205,701	1,108,314,632	83,857,700	41,239,115	1,769,843,074
Additions	-	31,996,340	88,189	215,469	-	-	32,299,998
Transfer	-	-	-	35,798,766	-	(35,798,766)	-
At December 31, 2015	84,008,900	412,213,366	72,293,890	1,144,328,867	83,857,700	5,440,349	1,802,143,072
<b>Accumulated depreciation</b>							
At January 1, 2015	-	20,070,792	51,910,606	426,974,573	15,780,796	-	514,736,767
Charges for the year	-	1,599,817	8,819	7,202,847	-	-	8,811,483
At December 31, 2015	-	21,670,609	51,919,425	434,177,420	15,780,796	-	523,548,250
<b>Net book value</b>							
At December 31, 2015	84,008,900	390,542,757	20,374,465	710,151,447	68,076,904	5,440,349	1,278,594,822

NATIONAL COMMUNICATIONS NETWORK INC.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

5. Property, plant and equipment, continued

				<u>2014</u>			
	Land	Buildings	Furniture and fixtures	Equipment	Motor vehicles	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>							
At January 1, 2014	84,008,900	380,217,026	71,615,612	1,037,750,413	66,457,700		1,640,049,651
Additions	-	-	590,089	70,564,219	17,400,000	41,239,115	129,793,423
At December 31, 2014	84,008,900	380,217,026	72,205,701	1,108,314,632	83,857,700	41,239,115	1,769,843,074
<b>Accumulated depreciation</b>							
At January 01, 2014	-	20,070,792	51,851,597	412,861,729	12,300,796	-	497,084,914
Charges for the year	-	-	59,009	14,112,844	3,480,000	-	17,651,853
At December 31, 2014	-	20,070,792	51,910,606	426,974,573	15,780,796	-	514,736,767
<b>Net book value</b>							
At December 31, 2014	84,008,900	360,146,234	20,295,095	681,340,059	68,076,904	41,239,115	1,255,106,307

NATIONAL COMMUNICATIONS NETWORK INC.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

<b>6 Inventories</b>	<b><u>2015</u></b>	<b><u>2014</u></b>
	<b>\$</b>	<b>\$</b>
Inventory items for use	4,826,104	6,134,431
	<u>4,826,104</u>	<u>6,134,431</u>
<b>7 Trade and other receivables</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>
	<b>\$</b>	<b>\$</b>
Trade receivables	268,100,256	228,163,325
Less provision for bad debts	(190,392,206)	(38,308,871)
	77,708,050	189,854,454
VAT receivable	349,164	739,131
Employees and assignment advances	108,928	701,981
Prepayments	-	466,200
	<u>78,166,141</u>	<u>191,761,766</u>
<b>8 Cash and cash equivalents</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>
	<b>\$</b>	<b>\$</b>
<b>Bank accounts</b>		
Demerara Bank - A/C #4012860	(12,563,537)	11,859,609
Demerara Bank -A/C#1206358	2,263,486	3,991,657
Republic Bank - A/C# 653-675-9	(168,620)	364,681
Republic Bank - A/C# 401-524-4	5,330,351	11,304,016
	<u>(5,138,321)</u>	<u>27,519,963</u>
<b>Cash accounts</b>		
Petty cash – Homestretch	240,000	240,000
Petty cash - Linden Branch	60,000	60,000
Petty cash - Berbice Branch	40,000	40,000
Change float- Homestretch	5,000	5,000
	<u>345,000</u>	<u>345,000</u>
	<u>(4,793,321)</u>	<u>27,864,963</u>
<b>Included in :</b>		
Current assets	7,938,836	27,864,963
Current liabilities	(12,732,157)	-
	<u>(4,793,321)</u>	<u>27,864,963</u>
<b>9 Share capital</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>
	<b>\$</b>	<b>\$</b>
Authorized		
220,553,395 ordinary shares of no par value	-	-
Issued and fully paid		
220,553,395 ordinary shares of no par value	<u>220,553,395</u>	<u>220,553,395</u>

NATIONAL COMMUNICATIONS NETWORK INC.  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**10 Reserves**

This amount represents the net assets taken over from the merger of Guyana Broadcasting Corporation (GBC) and the Guyana Television Broadcasting Ltd (GTV) in 2004.

**11 Trade and other payables**

	<u>2015</u>	<u>2014</u>
	\$	\$
Trade payables and accrued expenses	50,340,070	26,359,500
Vacation allowance payable	15,582,107	-
PAYE payable	19,541,938	-
Withholding tax	-	5,838,566
	<u>85,464,115</u>	<u>32,198,066</u>

**12 Provision for taxation**

	<u>2015</u>	<u>2014</u>
	\$	\$
Provision for property tax	89,378,502	53,060,911
	<u>89,378,502</u>	<u>53,060,911</u>

**13 Operating revenue**

	<u>2015</u>	<u>2014</u>
	\$	\$
Advertising	166,004,180	138,336,780
News	23,317,674	21,440,638
Program sponsorship	106,919,544	104,817,197
Sports	27,927,639	63,222,652
Production	93,799,132	100,758,894
Others	3,849,112	3,507,488
	<u>421,817,281</u>	<u>432,083,649</u>

**14 Operating expenses**

	<u>2015</u>	<u>2014</u>
	\$	\$
Provision for obsolete inventory	2,298,067	-
Write down of trade receivables	152,083,334	-
Property taxes	36,317,591	-
Employment cost	352,483,004	297,773,895
Fuel and lubricant	10,924,085	15,615,456
Utility	73,483,691	92,080,628
Security	33,330,405	26,753,776
Repairs and maintenance	22,594,243	24,953,883
Agency commission	12,392,559	15,576,534
Regulatory authority fees	19,493,150	6,247,240
Others	36,235,013	35,812,950
	<u>751,635,142</u>	<u>514,814,362</u>

NATIONAL COMMUNICATIONS NETWORK INC.  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**15. Deferred income**

	<u>2015</u>	<u>2014</u>
	\$	\$
Amortisation of Government Grant	55,676,156	60,675,085

**16. Net (loss) profit before taxation**

	<u>2015</u>	<u>2014</u>
	\$	\$
Net (loss) profit before taxation	(186,596,205)	30,732,085
After charging:		
Employment cost	352,483,004	297,773,895
Depreciation	8,811,483	17,651,853
Auditors' remuneration	2,500,000	-

**17. Taxation**

The Company has approximately G\$ 404,061,704 (2014- \$217,465,499) in accumulated corporation tax losses available to reduce future taxable income, which may be carried forward indefinitely. No deferred tax asset has been recognised in respect of this loss, as the ability of the entity to generate future taxable income is uncertain.

**18. (Loss) earnings per share**

	<u>2015</u>	<u>2014</u>
	\$	\$
Calculated as follows:		
(Loss) profit for the year	(186,596,205)	30,732,085
Number of ordinary shares (see note 9)	220,553,395	220,553,395
(Loss) earnings per share	(0.85)	0.14

NATIONAL COMMUNICATIONS NETWORK INC.  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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**19. Related party**

(a) *Identification of related parties*

A party is related to the company if:

- (i) Directly or indirectly the party:
  - controls, is controlled by, or is under common control with the company;
  - has an interest in the company that gives it significant influence over the company; or
  - has joint control over the company.
- (ii) The party is a member of the key management personnel of the company.
- (iii) The party is a close member of the family of any individual referred to in (i) or (ii) above.

The company considers key management personnel and persons and entities affiliated with key management personnel as related parties.

	<u>2015</u>	<u>2014</u>
	\$	\$
Short term benefits	32,082,096	36,329,691

**20. Contingencies**

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

As at December 31, 2015 the company did not have any material provisions for litigation claims or regulatory assessments. Further, the company does not believe claims or regulatory assessments for which no provision has been recorded will have a material impact on the financial position of the company.

**21. Fair Values**

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

- Level 1 inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly or indirectly such as derived from prices.
- Level 3 inputs are unobservable inputs for the asset or liability.

There have been no changes in categories of financial instruments since December 31, 2014.



NATIONAL COMMUNICATIONS NETWORK INC.  
 NOTES TO THE ACCOUNTS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

22. Analysis of financial assets and liabilities by measurement basis

December 31, 2015	Loan and Receivable \$	Other Financial assets and liabilities at amortised cost \$	Total \$
<b>Assets</b>			
Trade and other receivables	78,166,141	-	78,166,141
Cash and cash equivalents	-	7,938,836	7,938,836
	<b>78,166,141</b>	<b>7,938,836</b>	<b>86,104,977</b>
<b>Liabilities</b>			
Cash and cash equivalents		12,732,157	12,732,157
Trade and other payables	-	85,464,115	85,464,115
		<b>98,196,272</b>	<b>98,196,272</b>

December 31, 2014	Loans and Receivable \$	Other Financial assets and liabilities at amortised cost \$	Total \$
<b>Assets</b>			
Trade and other receivables	191,761,766	-	191,761,766
Cash and cash equivalents	-	27,864,963	27,864,963
	<b>191,761,766</b>	<b>27,864,963</b>	<b>219,626,729</b>
<b>Liabilities</b>			
Trade and other payables	-	32,198,066	32,198,066
		<b>32,198,066</b>	<b>32,198,066</b>

NATIONAL COMMUNICATIONS NETWORK INC.  
**NOTES TO THE ACCOUNTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2015

**23. Financial risk management**

*Introduction and overview*

The company has exposure to the following risks from its use of financial instruments:

- (i) Market risk
- (ii) Liquidity risk
- (iii) Credit risk
- (iv) Capital risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk and the company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management

**(i) Market risk**

The company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The company uses interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the company's exposure to market risks or the manner in which it manages these risks.

*(a) Price risk*

Price risk is the risk that the value of financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security of its issuer or factors affecting securities traded in the market. The company does not actively trade in equity investments.

*(b) Currency risk*

The company's exposure to foreign currency risk is minimal.

*(c) Interest rate risk*

As at year end, the company's exposure to interest rate risk is as follows:

	<u>2015</u>		
	Floating interest rate	Non Interest bearing	Total
	\$	\$	\$
Trade and other receivables	-	78,166,141	78,166,141
Cash and cash equivalents	-	7,938,836	7,938,836
		86,104,977	86,104,977
Cash and cash equivalents		12,732,157	12,732,157
Trade and other payables	-	85,464,115	85,464,115
		98,196,272	98,196,272

NATIONAL COMMUNICATIONS NETWORK INC.  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**23. Financial risk management, continued**

**(i) Market risk, continued**

*(c) Interest rate risk*

	<u>2014</u>		
	Floating interest rate	Non Interest bearing	Total
	\$	\$	\$
Trade and other receivables	-	191,761,766	191,761,766
Cash and cash equivalents	-	27,864,963	27,864,963
	-	219,626,729	219,626,729
<hr/>			
Trade and other payables	-	32,198,066	32,198,066
	-	32,198,066	32,198,066

**(ii) Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in raising funds 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.

The following table shows the distribution of assets and liabilities by maturity:

	<u>2015</u>				Total \$
	Up to six months \$	Six months to one year \$	Two to five year \$	Over five year \$	
<b>Assets</b>					
Trade and other receivables	78,166,141	-	-	-	78,166,141
Cash and cash equivalents	7,938,836	-	-	-	7,938,836
	86,104,977	-	-	-	86,104,977
<hr/>					
<b>Liabilities</b>					
Cash and cash equivalents	12,732,157	-	-	-	12,732,157
Trade and other payables	85,464,115	-	-	-	85,464,115
	98,196,272	-	-	-	98,196,272
<hr/>					
<b>Liquidity Gap</b>	(12,091,295)	-	-	-	(12,091,295)
<hr/>					
<b>Cumulative Gap</b>	(2,091,295)	(12,091,295)	(12,091,295)	(12,091,295)	-

NATIONAL COMMUNICATIONS NETWORK INC.  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**23. Financial risk management, continued**

**(ii) Liquidity risk, continued**

	2014 Maturing				Total \$
	Up to six months \$	Six months to one year \$	Two to five year \$	Over five year \$	
<b>Assets</b>					
Trade and other receivables	78,166,141	-	-	-	78,166,141
Cash and cash equivalents	-	-	-	-	-
	<u>78,166,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,166,141</u>
<b>Liabilities</b>					
Trade and other payables	85,464,115	-	-	-	85,464,115
	<u>85,464,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,464,115</u>
<b>Liquidity Gap</b>	<u>(7,297,974)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,297,974)</u>
<b>Cumulative Gap</b>	<u>(7,297,974)</u>	<u>(7,297,974)</u>	<u>(7,297,974)</u>	<u>(7,297,974)</u>	<u>-</u>

**(ii) Credit risk**

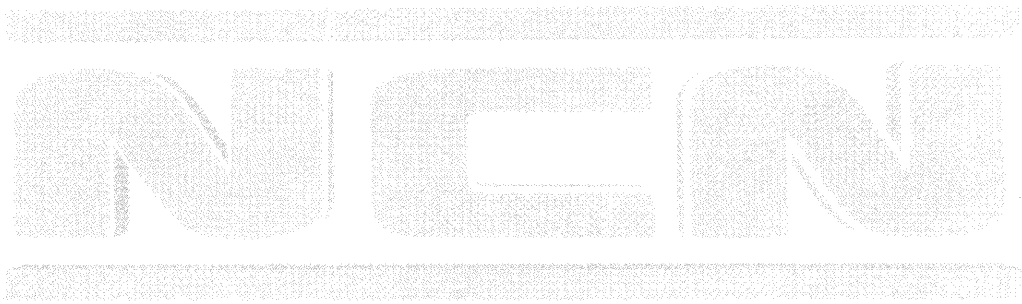
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The maximum amount of credit risk is equal to the balance of cash and trade and other receivables. Cash resources are held with financial institutions licensed in Guyana. The credit risk related to trade and other receivables are mainly due to delays in payments which can result in impairment of trade and other receivables. Reviews of trade and other receivables are performed on a yearly basis. In 2015, an impairment of \$152,083,334 was recognized in the statement of profit or loss and other comprehensive income (2014- Nil).

**(iii) Capital risk management**

The company is not exposed to a depletion in its capital, since its sole shareholder is committed to future capital maintenance.

**24. Economic Dependency**

The Company's current liabilities exceed its current asset by \$96,643,693 as at December 31, 2015. Future operations of the Company are dependent on the ongoing financial support of its sole shareholder.



Annual Report 2015

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Annual General Meeting 2015

**FORM OF PROXY**

The Secretary  
National Communications Network, Inc.  
Homestretch Avenue  
Durban Park  
Georgetown  
Guyana

I/We

\_\_\_\_\_

of \_\_\_\_\_

A Member/Members of the National Communications Network, Inc. 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 Communications Network, Inc. to be held on \_\_\_\_\_, 2018 or any adjournment thereof in such manner as such Proxy may think proper.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Signed by the Said \_\_\_\_\_

(Name of Member/s)

\_\_\_\_\_

(Signatures 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.