

**AUDITED FINANCIAL STATEMENTS OF THE  
CHEDDI JAGAN INTERNATIONAL AIRPORT  
CORPORATION**

**FOR THE YEAR ENDED  
31 DECEMBER 2015**

**CONTRACTED AUDITORS: PKF BARCELLOS NARINE  
& COMPANY  
106-7 LAMAHA STREET  
GEORGETOWN**

**AUDITORS: AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA**

AUDITED FINANCIAL STATEMENTS OF THE  
CHEDDI JAGAN INTERNATIONAL AIRPORT CORPORATION  
FOR THE YEAR ENDED 31 DECEMBER 2015

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## *Audit Office of Guyana*

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174/PC: 61/2/2018

26 April 2018

Mrs. Ishwari Glasgow  
Finance Manager & Deputy Head – CEO's Secretariat  
Cheddi Jagan International Airport Corporation  
Timehri  
East Bank Demerara.

Dear Mrs. Glasgow,

AUDIT OF THE BOOKS AND ACCOUNTS OF THE  
CHEDDI JAGAN INTERNATIONAL AIRPORT CORPORATION  
FOR THE YEAR ENDED 31 DECEMBER 2015

Please find attached four copies of the audited financial statements, together with the report of the Auditor General, thereon.

Should you need any further explanation, please do not hesitate to contact us.

With best regards.

Yours sincerely,

  
Nichette Harcourt  
Audit Manager (ag.)  
for Auditor General  




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AG: 135/2018

26 April 2018

**REPORT OF THE AUDITOR GENERAL**  
**TO THE MEMBERS OF THE BOARD OF DIRECTORS**  
**OF THE CHEDDI JAGAN INTERNATIONAL AIRPORT CORPORATION**  
**ON THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

Chartered Accountants PKF Barcellos Narine & Company, have audited on my behalf the financial statements of the Cheddi Jagan International Airport Corporation, which comprise the statement of financial position as at 31 December 2015 and 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 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 (IFRS), 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.

*Opinion*

In my opinion, the financial statements present fairly, in all material respects of the financial position of Cheddi Jagan International Airport Corporation as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

HNN:yp

April 20, 2018

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
CHEDDI JAGAN INTERNATIONAL AIRPORT CORPORATION

We have audited the accompanying financial statements of Cheddi Jagan International Airport Corporation, which comprise the statement of financial position as at December 31, 2015 and the statement of comprehensive income, statement of changes in equity and statement of 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 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.

We conducted our audit in accordance with 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 risk 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 evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


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PKF Barcellos Narine & Co. | 106-7 Lamaha Street | Georgetown | Guyana



Accountants &  
business advisers

**Opinion**

In our opinion the financial statements present fairly, in all material respects, the financial position of the company as of December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

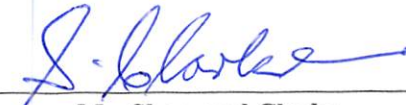
  
PKF, BARCELLOS, NARINE & CO.

**Cheddi Jagan International Airport Corporation**  
**Statement of Financial Position**  
**as at December 31, 2015**

Assets	Notes	2015 \$	2014 \$
<b>Non Current Assets</b>			
Property, Plant & Equipment	5	4,017,808,370	4,379,772,101
Intangible Assets	6	13,413,794	7,723,268
Work In Progress	7	256,324,489	273,718,401
<b>Total Non Current Assets</b>		<u><u>4,287,546,653</u></u>	<u><u>4,661,213,770</u></u>
<b>Current Assets</b>			
Investment	8	170,539,164	324,466,827
Inventories		38,342,199	28,050,699
Receivables	9	55,318,197	128,178,936
Cash and Cash Equivalent	10	32,204,630	45,391,101
		<u>296,404,190</u>	<u>526,087,563</u>
<b>Total Assets</b>		<u><u>4,583,950,843</u></u>	<u><u>5,187,301,333</u></u>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share Capital: Authorised & Paid-up	11	200,000,000	200,000,000
Gov't/IDB Grants	12	997,620,075	1,108,466,750
Revaluation Reserve		7,275,497,537	7,275,497,537
Accumulated Deficit		<u>(3,968,957,210)</u>	<u>(3,455,482,576)</u>
<b>Total Equity</b>		<u><u>4,504,160,402</u></u>	<u><u>5,128,481,711</u></u>
<b>Current Liability</b>			
Trade & other Payables	13	<u>79,790,441</u>	<u>58,819,622</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><u>4,583,950,843</u></u>	<u><u>5,187,301,333</u></u>

These Financial Statements were approved by the Board of Directors for the issuance on .....

  
 \_\_\_\_\_  
 Mr. Ramesh Ghir  
 Chief Executive Office & Vice Chairman of  
 the Board of Directors

  
 \_\_\_\_\_  
 Mr. Sherwood Clarke  
 Director



**Cheddi Jagan International Airport Corporation**  
**Statement of Comprehensive Income**  
**For The Year Ended December 31,2015**

	Notes	2015 \$	2015 \$	2014 \$
<b>OPERATING INCOME</b>				
<b>Revenue</b>				
Airport Security Fee	14		355,669,500	336,175,500
Income retained by CJIA	15		308,595,946	306,673,899
Income relating to MPI	16		409,358,577	423,752,535
Grant Recognised	17		110,846,675	123,162,972
Interest Earned	18		719,108	1,503,601
Capital Release Rec'd			-	143,425,000
			<u>1,185,189,806</u>	<u>1,334,693,507</u>
<b>OPERATING EXPENSES</b>				
Administrative	19	434,756,176		331,374,550
Operational	20	361,566,361		405,251,757
Expenses specific to the agency		64,643,771		181,706,204
Depreciation & Ammortisation	5&6	<u>459,989,326</u>		<u>442,474,012</u>
			<u>1,320,955,634</u>	<u>1,360,806,523</u>
<b>Operating Loss</b>			<b>(135,765,828)</b>	<b>(26,113,016)</b>
<b>NON -OPERATING INCOME</b>				
Stock write back			<u>17,514,804</u>	<u>-</u>
			<b>(118,251,024)</b>	<b>(26,113,016)</b>
Transferred to MPI	21		<u>(395,223,610)</u>	<u>(393,951,564)</u>
<b>Net Comprehensive Loss for the Year</b>			<b><u>(513,474,634)</u></b>	<b><u>(420,064,580)</u></b>

The accompanying notes form an integral part of these financial statement

**Cheddi Jagan International Airport Corporation**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2015**

	<b>Share Capital</b>	<b>Gov't/IDB Contribution</b>	<b>Revaluation Reserve</b>	<b>Accumulated Deficit</b>	<b>Total</b>
Balance - January 1, 2015	200,000,000	1,108,466,750	7,275,497,537	(3,455,482,576)	5,128,481,711
Loss for the year	-	-	-	(135,765,828)	(135,765,828)
Transferred to Ministry of Public Infrastructure	-	-	-	(395,223,610)	(395,223,610)
Transferred to Income	-	(110,846,675)	-	-	(110,846,675)
Loss on disposal of assets	-	-	-	17,514,804	17,514,804
Balance - December 31, 2015	<u>200,000,000</u>	<u>997,620,075</u>	<u>7,275,497,537</u>	<u>(3,968,957,210)</u>	<u>4,504,160,402</u>

**The accompanying notes form an integral part of these financial statement**

**Cheddi Jagan International Airport Corporation**  
**Statement of Cashflow**  
**For the year ended December 31, 2015**

	2015	2014
	\$	\$
<b>Operating Activities</b>		
Net Comprehensive Loss for the year	(513,474,634)	(420,064,580)
<b>Adjustments for</b>		
Depreciation	459,989,326	442,474,012
Loss on disposal of Non Current Assets	<u>-</u>	<u>12,162,895</u>
<b>Operating profit/(Loss) before working capital changes</b>	<b>(53,485,308)</b>	<b>34,572,327</b>
<b>Working Capital Changes</b>		
Increase/(Decrease) in Payables	20,970,819	2,636,761
(Increase)/Decrease in Receivables	72,860,739	(54,436,746)
(Increase)/Decrease in Inventories	<u>(10,291,500)</u>	<u>2,315,120</u>
<b>Net cashflow generated/ (used) from operations</b>	<b><u>30,054,750</u></b>	<b><u>(14,912,538)</u></b>
<b>Investing Activities</b>		
Republic Bank Ltd Investment Account	153,927,663	151,781,602
Purchase of Capital Equipment	(86,322,209)	(47,175,299)
<b>Net cashflow from Investing Activity</b>	<b><u>67,605,454</u></b>	<b><u>104,606,303</u></b>
<b>Financing Activity</b>		
Grant Recognised	<u>(110,846,675)</u>	<u>(123,162,972)</u>
<b>Net cashflow generated from financing activities</b>	<b>(110,846,675)</b>	<b>(123,162,972)</b>
<b>Net Decrease in cash and cash equivalents</b>	<b>(13,186,471)</b>	<b>(33,469,207)</b>
Cash and cash equivalents at the beginning of year	<u>45,391,101</u>	<u>78,860,308</u>
Cash and cash equivalents at end of year	<b><u><u>32,204,630</u></u></b>	<b><u><u>45,391,101</u></u></b>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash in Hand	1,368,538	1,414,309
Cash at Bank	<u>30,836,092</u>	<u>43,976,792</u>
	<b><u><u>32,204,630</u></u></b>	<b><u><u>45,391,101</u></u></b>

**The accompanying notes form an integral part of these financial statement**

**Cheddi Jagan International Airport Corporation**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2015**

	<b>Share Capital</b>	<b>Gov't/IDB Contribution</b>	<b>Revaluation Reserve</b>	<b>Accumulated Deficit</b>	<b>Total</b>
Balance - January 1, 2015	200,000,000	1,108,466,750	7,275,497,537	(3,455,482,576)	5,128,481,711
Loss for the year	-	-	-	(135,765,828)	(135,765,828)
Transferred to Ministry of Public Works	-	-	-	(395,223,610)	(395,223,610)
Transferred to Income	-	(110,846,675)	-	-	(110,846,675)
Loss on disposal of assets	-	-	-	17,514,804	17,514,804
<b>Balance - December 31, 2015</b>	<b><u>200,000,000</u></b>	<b><u>997,620,075</u></b>	<b><u>7,275,497,537</u></b>	<b><u>(3,968,957,210)</u></b>	<b><u>4,504,160,402</u></b>

**The accompanying notes form an integral part of these financial statement**

**Cheddi Jagan International Airport Corporation**  
**Deferred Income**  
**as at 31 December 2015**

	<b>Gov't Grant/IDDB Contribution</b>	<b>Runway Resurfacing</b>	<b>Generator</b>	<b>Airport Expansion</b>	<b>Security Upgrade</b>	<b>Total</b>
Balance- January 1, 2015	669,705,681	162,089,505	6,671,565	222,480,000	47,520,000	1,108,466,751
Transferred To Inome	66,970,568	16,208,951	667,157	22,248,000	4,752,000	110,846,675
Balance-December 31, 2015	<u>602,735,113</u>	<u>145,880,555</u>	<u>6,004,409</u>	<u>200,232,000</u>	<u>42,768,000</u>	<u>997,620,076</u>

**The accompanying notes form an integral part of these financial statement**

## **Cheddi Jagan International Airport Corporation**

### **Notes to the Financial Statements for Year Ended 31 December, 2015**

#### **1. Incorporation and Activities**

##### **Incorporation**

The Cheddi Jagan International Airport Corporation was incorporated on October 5, 2001, under the Public Corporations Act 1988, Order No. 20 of 2001, which gives the Corporation its mandate. The registered office is located at Timehri, East Bank Demerara.

##### **Principal Activities**

The principal activities of the Corporation are as follows:-

- (a) To develop and manage the business of the Airport, including the development, maintenance or improvement of its facilities in a cost effective manner, so as to ensure the availability of efficient, secure and safe aviation services to the public at all times and to ensure commercial viability.
- (b) To administer, control and manage the Airport and any other property vested in it.

#### **2. Summary of Significant Accounting Policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied to the previous year.

##### **a) Accounting Convention**

The financial statements are prepared in Guyana dollars in accordance with International Financial Reporting Standards (IFRS) and Public Corporations Act. They have been prepared under the historical cost convention, as modified by the revaluation of property and equipment.

##### **b) Foreign Currency Transactions**

Transaction in currencies other than Guyana dollars are translated to the Guyana dollar equivalent at the rates of exchange ruling at the dates of such transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the foreign exchange rates prevailing on the reporting date.

Gains and losses arising from the translation of foreign currencies are included in the statement of comprehensive income.

## **Cheddi Jagan International Airport Corporation**

### **Notes to the Financial Statements for Year Ended 31 December, 2015**

#### **c) Non-Current Assets and Depreciation & Amortisation**

Non-Current Assets held for the use for the supply of Aviation service or for administrative purposes are stated in the statement of financial position at cost or revalued amounts less accumulated depreciation. Revalued amounts are taken as the fair value at the date of revaluation from market-based evidence by appraisals undertaken by professional valuers.

Revaluation increase arising on the revaluation is credited to the revaluation reserve. Depreciation on revalued assets is charged to the statement of comprehensive income. Depreciation is charged on premises excluding land. Property, plant and equipment are depreciated over the estimated useful lives of the assets using the straight-line method.

Expenditures for major improvement to premises, paved surfaces, furniture, fixtures and fittings and machinery, plant and equipment are capitalized, while those for repairs and maintenance are charged to the statement of comprehensive income.

Individual assets or group of items making up a single identifiable asset of value less than \$100,000 is not capitalized but is expensed in the accounting period in which the costs are incurred.

The following annual depreciation rates are applicable for the respective categories.

Building	2.5%
Runway, Taxiway and other Paved Surfaces	10%
Machinery and Equipment	15%
Fixtures & Fittings	10%
Soft Wares	15%
Furniture	10%
Motor Vehicles	20%

No depreciation is provided on work-in-progress.

#### **d) Inventories**

Inventories are valued at the lower of cost or net realizable value in accordance with International Accounting Standard. Cost is arrived at using the first in first out cost method.

#### **e) Cash and Cash Equivalents**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and short term highly liquid investments that are both readily convertible into known amounts of cash with maturity dates of three (3) months and less.

**Cheddi Jagan International Airport Corporation**

**Notes to the Financial Statements for Year Ended 31 December, 2015**

**f) Trade and Other Receivables**

Trade receivables are recorded at the invoiced amounts and do not bear interest.

Provision is made in these financial statements for the amounts included in the receivables of which the eventual cash realisation is considered remote. The provision is 10% of the trade receivable as at the period end based on previous experience and is provided for in the statement of comprehensive income as at December 31, 2015.

**g) Trade and Other Payables**

Trade and other payables are measured at amortized cost.

**h) Government Grant**

A Government grant is recognised only when there is reasonable assurance that the Corporation will comply with any conditions attached to the grant and the grant will be received. The grant is recognised as income over the period necessary to match them with the related costs for which they are intended to compensate, on a systematic basis. Non-monetary grants, such as land or other resources, are accounted for at fair value.

A Grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, is recognised as income in the period in which it is received. A grant relating to assets is presented as deferred income over the expected useful life of the assets.

**i) Revaluation Reserves**

This comprise of revaluation surplus which arose from the revaluation of assets over the years.

**j) Revenue and Expense Recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business to third parties, net of discounts, and sales related taxes. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Expenses are recognized on the accrual basis.

**k) Taxation**

On October 31, 2017 the Guyana Revenue Authority informed the Corporation that it is required to commence payment of Corporation and Property Taxes effective January 1, 2017. With the exception of Value Added and Withholding Taxes, no other taxes are being paid by the Corporation.



**Cheddi Jagan International Airport Corporation**

**Notes to the Financial Statements for Year Ended 31 December, 2015**

**3. New and Revised International Financial Reporting Standards (IFRS)**

During the year several amended standards became effective. These were reviewed by management and those that impact the preparation of its financial reporting were adopted.

- (i) The following pronouncements if applicable are mandatorily effective for the current financial year:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions  
Annual Improvements 2010-2012 Cycle  
Annual Improvements 2011-2013 Cycle

- (ii) The following pronouncements have been issued but are not yet effective however, they are available for early adoption:

<b>New and Amended Standards</b>	<b>New and Amended Standards Periods Beginning:</b>
IFRS 9 - Financial Instruments (2014)	January 1, 2018
IFRS 14 - Regulatory Deferral Accounts	January 1, 2016
IFRS 15 - Revenue From Contracts with Customers	January 1, 2018
Amendments to IFRS 11 Accounting for Acquisition of Interest of Joint Operations	January 1, 2016
Amendments to IAS 1 Disclosure Initiative	January 1, 2016
Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	January 1, 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants	January 1, 2016
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities	January 1, 2016
Applying the Consolidation Exception	January 1, 2016
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016

**Cheddi Jagan International Airport Corporation**

**Notes to the Financial Statements for Year Ended 31 December, 2015**

**4. Key Management Personnel and Directors Remuneration**

Key Management Personnel: The sum of thirty two million dollars (\$35M) was paid to five (5) key management employees for the year 2015.

Directors: The CJAC's board of directors comprise of eight (8) members. Directors' remuneration for the year amounted to \$297,000. The Board served up to May 2015. Details are as follows:-

No.	Name	Position	2015 \$	2014 \$
1.	Mr. Ramesh Dookhoo	Chairman	45,000	108,000
2.	Dr. Vindhya Persaud	Board Member	35,000	84,000
3.	Mr. Berkley Wickham	Board Member	35,000	84,000
4.	Mr. Fazal Wahab	Board Member	35,000	84,000
5.	Mr. Balraj Balram	Board Member	35,000	84,000
6.	Mr. Micheal George	Board Member	35,000	84,000
7.	Mr. Astil Paul	Board Member	42,000	21,000
8.	Mr. Vladim Persaud	Board Member	35,000	84,000
	<b>Total</b>		<b>297,000</b>	<b>633,000</b>

**Cheddi Jagan International Airport Corporation**  
**Notes to the Financial Statements for Yer Ended 31 December 2015**

**5. Property Plant & Equipment**

	<b>Land and Building G \$</b>	<b>Runaway, Taxiway and Other Paved Surface G \$</b>	<b>Machinery, Plant and Equipment G \$</b>	<b>Furniture G \$</b>	<b>Fixtures &amp; Fittings G \$</b>	<b>Motor Vehicle G \$</b>	<b>Total G \$</b>
<b>Cost</b>							
January 1, 2015	2,860,822,548	2,754,716,072	768,459,952	14,792,303	187,737,475	77,049,503	6,663,577,853
Transfer							
Additions	34,378,238	-	45,880,116	1,342,185	-	14,500,000	96,100,539
December 31, 2015	<u>2,895,200,786</u>	<u>2,754,716,072</u>	<u>814,340,068</u>	<u>16,134,488</u>	<u>187,737,475</u>	<u>91,549,503</u>	<u>6,759,678,392</u>
<b>Depreciation</b>							
January 1, 2015	294,780,834	1,333,428,124	499,228,231	7,862,067	96,495,716	52,010,780	2,283,805,752
Charged for the year	56,041,758	273,521,607	98,639,402	1,121,028	18,773,748	9,966,727	458,064,270
December 31, 2015	<u>350,822,592</u>	<u>1,606,949,731</u>	<u>597,867,633</u>	<u>8,983,095</u>	<u>115,269,464</u>	<u>61,977,507</u>	<u>2,741,870,022</u>
<b>Net Book Values:</b>							
December 31, 2015	<u>2,544,378,194</u>	<u>1,147,766,341</u>	<u>216,472,435</u>	<u>7,151,393</u>	<u>72,468,011</u>	<u>29,571,996</u>	<u>4,017,808,370</u>
December 31, 2014	<u>2,566,041,714</u>	<u>1,421,287,948</u>	<u>269,231,721</u>	<u>6,930,236</u>	<u>91,241,759</u>	<u>25,038,723</u>	<u>4,379,772,101</u>

**Cheddi Jagan International Airport Corporation**  
**Notes to the Financial Statements for Year Ended 31 December, 2015**

**6. Intangible Assets - Software**

	\$
Cost – January 1	12,319,280
Addition	<u>7,615,582</u>
Cost – December 31	<u>19,934,862</u>
Amortisation – January 1	4,596,012
Charge for the year	<u>1,925,059</u>
Amortisation – December 31	<u>6,521,058</u>
<b>Carrying Value December 31, 2015</b>	<b><u>13,413,794</u></b>
<b>Carrying Value December 31, 2014</b>	<b><u>7,723,268</u></b>

**7. Work In Progress**

Cost – December 31, 2015	273,718,401
Transfer	(24,586,771)
Addition	<u>7,192,859</u>
Cost – December 31, 2015	<u>256,324,489</u>

**8. Investment**

	2015 \$	2014 \$
Republic Bank Ltd - Investment Account	<u>170,539,164</u>	<u>324,466,827</u>

Represents funds in the business cash management account and earns interest annually.

**Cheddi Jagan International Airport Corporation**

**Notes to the Financial Statements for Year Ended 31 December, 2015**

**9. Trade and Other Receivables**

Description	2015 \$	2014 \$
Accounts Receivables	140,037,318	131,830,773
Bad Debt Write Off	(69,249,385)	-
Accounts Receivable	70,787,933	131,830,773
Less Provision	<u>15,956,761</u>	<u>11,517,777</u>
	54,831,172	120,312,996
Pre-payments	<u>487,025</u>	<u>7,865,940</u>
<b>Total</b>	<b><u>55,318,197</u></b>	<b><u>128,178,936</u></b>
Age Analysis		
Less than 30 days	58,269,006	91,1748,35
More than 30 days but less than 90 days	-	23,321,283
Less than 90 days but not impaired	<u>4,018,462</u>	<u>17,334,655</u>
	<b><u>70,787,933</u></b>	<b><u>131,830,773</u></b>

Note: Debt write off to the tune of \$69M was done, as per board approval.

**10. Cash and Cash Equivalents**

Description	2015 \$	2014 \$
At Bank		
- Republic Bank Ltd Current Account	11,088,399	25,504,795
- Bank Of Guyana Current Account	19,747,693	18,471,997
Cash in Hand	<u>1,368,538</u>	<u>1,414,309</u>
<b>Total</b>	<b><u>32,204,630</u></b>	<b><u>45,391,101</u></b>

**Cheddi Jagan International Airport Corporation**  
**Notes to the Financial Statements for Year Ended 31 December, 2015**

**11. Share Capital**

Description	2015 \$	2014 \$
Authorized and Paid-up: (200,000 shares @\$1,000.)	<u>200,000,000</u>	<u>200,000,000</u>

All shares are owned by the Co-operative Republic of Guyana.

**12. Gov't/ IDB Grant**

No Government Grant was received during the year.

**13. Trade and Other Payables**

Description	2015 \$	2014 \$
Accounts Payable	21,075,378	2,447,485
Accruals	<u>58,715,063</u>	<u>56,372,137</u>
<b>Total</b>	<b><u>79,790,441</u></b>	<b><u>58,819,622</u></b>

All payables are current.

**14. Airport Security Fees**

Amounts received as Airport Security Fees represent 37.5% of every ticket sold for Departure Tax by the Guyana Revenue Authority. The current cost per departure tax ticket is \$4,000.

**Cheddi Jagan International Airport Corporation**  
**Notes to the Financial Statements for Year Ended 31 December, 2015**

**15. Income Retained by CJIAC**

<b>Description</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
CUTE Fees	267,043,680	255,571,689
CJIAC Portion of Pax Screening Fees	31,659,466	34,203,160
Sale of ID Cards	8,398,000	9,957,500
Aircraft Storage Fees	-	4,140,000
Conference Room Rental	201,000	-
Escort Fees	739,000	1,296,000
Miscellaneous*	<u>554,800</u>	<u>1,505,550</u>
<b>Total</b>	<b><u>308,595,946</u></b>	<b><u>306,673,899</u></b>

Amounts categorized as miscellaneous include fees charged for the use of the public address system and conference room, training provided, school tours, sale of tender documents, bird dog fees and taxi fees.

**Cheddi Jagan International Airport Corporation**  
**Notes to the Financial Statements for Year Ended 31 December, 2015**

**16. Income remitted to MPI**

Other Revenue is comprised as follows:

<b>Description</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
License & Electricity	73,377,507	71,824,472
Concession	45,677,126	44,250,381
Land Lease	8,497,105	6,873,263
Advertising	29,214,741	31,810,780
Aerodrome(Landings & AIS)	222,921,098	239,127,039
Car Park	23,992,000	23,852,600
Red Cap	2,728,000	2,884,500
Taxi	<u>2,951,000</u>	<u>3,129,500</u>
<b>Total</b>	<b><u>409,358,577</u></b>	<b><u>423,752,535</u></b>

**17. Grant Recognised**

This refers to the amount written off for the period in respect of assets acquired via government grants or international donations. Refer to Note 2 (h) for details.

**18. Interest Earned**

This amount represents total interest earned less withholding tax on the Business Cash Management (BCM) Account.



**Cheddi Jagan International Airport Corporation**  
**Notes to the Financial Statements for Year Ended 31 December, 2015**

**19. Administrative Expenses**

Administrative Expenses is comprised as follows:

<b>Description</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Salaries & Wages	271,421,589	220,529,029
Benefits & Allowances	7,215,378	5,895,704
Employer's NIS	17,073,908	12,717,757
Pension: Employer's Contribution	8,066,275	6,628,256
Drugs & Medical Supplies	112,657	577,552
Office Materials & Supplies	7,065,199	9,897,975
Print & Non-Print Materials	1,519,281	3,392,427
Local Travel & Subsistence	1,680,340	1,201,868
Postage, Telex & Cablegrams	12,277	27,990
Telephone & Internet Charges	10,156,600	10,764,899
Refreshment & Meals	26,932,868	18,369,180
Training	8,986,140	7,251,660
Membership	504,250	525,725
Board Fees	214,610	634,523
Bank Charges	106,435	90,895
Bad Debts	<u>73,688,369</u>	<u>32,869,110</u>
<b>Total</b>	<b><u>434,756,176</u></b>	<b><u>331,374,550</u></b>

N.B: Electricity charges are paid by the Ministry of Finance and are not included in the Corporation's expenses. Amount billed by the Guyana Power & Light Co. for the years 2015 and 2014 are \$163M and \$182M respectively. The amount of \$265M was allocated as payment for the aforementioned period. As of March 1<sup>st</sup> 2016, the company will be responsible for payment of its electricity charges since funds will no longer be paid into the consolidated fund.

**Cheddi Jagan International Airport Corporation**  
**Notes to the Financial Statements for Year Ended 31 December, 2015**

**20. Operational Expenses**

Operational Expenses is comprised as follows:

<b>Description</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Runway, Taxiway, Apron Maintenance	17,140,885	11,548,744
Field Materials & Supplies	32,853,529	32,333,482
Fuel and Lubricants	9,735,565	12,815,303
Maintenance of Buildings	21,206,230	55,130,384
Janitorial & Cleaning Supplies	13,634,093	4,477,351
Maintenance of Roads	2,265,955	827,500
Maintenance of Other Infrastructure	43,311,788	58,008,736
Vehicle Spares & Services	9,600,284	9,196,595
Other Transportation & Travel	97,398,942	101,064,533
Security Charges	25,893,062	24,554,500
Equipment Maintenance	21,802,825	31,909,313
Cleaning & Exterminating	48,506,580	40,884,633
Other – Medical & Legal Services	12,427,548	3,931,819
National & Other Events	5,789,075	6,378,130
Other Goods & Services	<u>-</u>	<u>12,190,735</u>
<b>Total</b>	<b><u>361,566,361</u></b>	<b><u>405,251,757</u></b>

N.B. The Expense specific to Agency of \$ 64,643,771 relates to the GDF Relocation project.

**Cheddi Jagan International Airport Corporation**  
**Notes to the Financial Statements for Year Ended 31 December, 2015**

**21. Income Transferred to Ministry of Public Infrastructure (MPI)**

All of the revenue earned and collected from aerodrome use, aeronautical information services, licence fees (rental) for office space, electricity paid charges, advertising, land lease and fuel dispensing services is transferred to the Ministry of Public Infrastructure (MPI).

Revenue collected and remitted to the MPI during the year under review:

Description	2015 \$	2014 \$
Transferred to MPI	<u>395,223,610</u>	<u>393,951,564</u>

**22. Capital Commitments**

In November 2011, China Harbor Engineering Company was awarded the contract to construct a new terminal building and the extension of the main runway. A summary of the works are below:

- 1) **Construction of a new Terminal Building** measuring 16,000 square meters. The new Terminal Building will have, inter alia the following:
  - a. Eight (8) Passenger Boarding Bridges;
  - b. Two (2) Elevators; and
  - c. CCTV and Departures Control Systems.
- 2) **Extension of the Main Runway by 3,500ft** to a final length of 10,500ft (capable of accommodating the Boeing 747-400 aircraft)
- 3) **Construction of eight (8) International Parking Positions**

The Project will be funded by the Government of China through the EXIM Bank of China. The total Airport Expansion Project is expected to cost US\$150M, however, CHEC will be executing works to the value of US\$138M.

The project is expected to conclude in 31 December 2018.

**Cheddi Jagan International Airport Corporation**  
**Notes to the Financial Statements for Year Ended 31 December, 2015**

**23. Contingency**

**Court matter- Khamraj Lall –v- Cheddi Jagan International Airport**

Khamraj Lall v Cheddi Jagan International Airport – This is a claim for a declaration that the Plaintiff trading as Exec Jet Club is entitled to the possession use and enjoyment of a part of portion of a hangar located at the Cheddi Jagan International Airport “the Airport” as defined by and pursuant to a Licence Agreement executed on the 15<sup>th</sup> October, 2012 between the plaintiff and the defendant. The matter is defended and the Corporation was advised by legal counsel that the Corporation has a good defence.