National Agricultural Research & Extension Institute Board

Statement of Financial Position

As at December 31, 2015

Assets	Notes	2015 G$ '000	2014 G$ '000
Non-current assets			
Property, plant and equipment	**3**	**414,453**	**350,533**
Current assets			
Cash and bank		144,018	204,005
Accounts receivable	**4**	29,967	93,628
Inventories	**5**	166,735	159,552
Total current assets		**340,720**	**457,185**
Total Assets		**755,173**	**807,718**
Equity & Liabilities			
Shareholders' equity			
Grant from foreign sources		51,897	51,897
Government of Guyana contribution		848,595	912,385
Revaluation of stock		342	342
Accumulative deficit		(188,256)	(175,852)
Total shareholders' equity		**712,578**	**788,772**
Non-current liabilities			
Ministry of Public Works		**5,607**	**5,607**
Current liabilities			
Accounts payable	**6**	**36,988**	**13,339**
Total Equity & Liabilities		**755,173**	**807,718**

On behalf of the Board of Directors:

Chairman **Director**

The notes on pages 5 to 9 form an integral part of these financial statements.

National Agricultural Research & Extension Institute Board

Statement of Comprehensive Income

For the year ended December 31, 2015

	Notes	2015 G$ '000	2014 G$ '000
Revenue			
Government of Guyana subvention		782,825	672,002
Income from operations		16,782	22,142
Rental of houses		2,545	1,570
Other income		15,045	24,847
Interest earned		119	166
Income adjustment under IAS 20		88,376	199,207
Total revenue		**905,692**	**919,934**
Expenses			
Depreciation		46,528	46,210
Loss on disposal of property, plant and equipment		94	200
Education subvention and training		1,660	3,546
Fuel and lubricant		21,975	21,926
Maintenance of infrastructure		4,067	1,208
Material, equipment and supplies		18,444	31,286
Old age pension		1,008	1,005
Other goods and services		21,010	25,235
Other operating expenses		61,898	162,106
Overhead expenditure		84,060	76,169
Rental and maintenance of buildings		22,178	9,580
Transport, travel and postages		41,156	43,103
Utility charges		38,482	36,628
Wages and salaries		535,364	463,505
Write off of bad debt		9,829	-
Write off of inventory		10,343	-
Total expenses		**918,096**	**921,707**
Deficit		**(12,404)**	**(1,773)**

The notes on pages 5 to 9 form an integral part of these financial statements.

National Agricultural Research & Extension Institute Board

Statement of Changes in Equity

For the year ended December 31, 2015

	Notes	Revaluation of stock reserve G$ '000	Government of Guyana contribution G$ '000	Grants from foreign source G$ '000	Accumulated surplus/ (deficit) G$ '000	Total G$ '000
At January 1, 2014		**342**	**775,740**	**51,897**	**(174,079)**	**653,900**
Net profit for the year		-	-	-	(1,773)	(1,773)
Capital Contribution		-	335,852	-	-	335,852
Capital Contribution adjustment		-	(199,207)	-	-	(199,207)
At December 31, 2014		**342**	**912,385**	**51,897**	**(175,852)**	**788,772**
Unrestricted net assets		-	(2,514)	-	-	(2,514)
Net profit for the year		-	-	-	(12,404)	(12,404)
Capital Contribution		-	27,100	-	-	27,100
Capital Contribution adjustment		-	(88,376)	-	-	(88,376)
At December 31, 2015		**342**	**848,595**	**51,897**	**(188,256)**	**712,578**

The notes on pages 5 to 9 form an integral part of these financial statements.

National Agricultural Research & Extension Institute Board

Statement of Cash Flows

For the year ended December 31, 2015

	2015	2014
	G$ '000	G$ '000
Cash flows from operating activities		
Loss before taxation	(12,404)	(1,773)
Adjustments for:		
Depreciation	46,529	46,210
Loss on disposal of property, plant and equipment	93	200
Government of Guyana subvention	(90,890)	(199,207)
Operating profit before changes in working capital	**(56,672)**	**(154,570)**
Increase in inventories	(7,183)	(33,965)
Decrease/(increase) in accounts receivable	63,661	(51,820)
Decrease in accounts payable	23,649	6,665
Net cash inflows from operating activities	**23,455**	**(233,690)**
Cash flows from investing activities		
Purchase of property, plant & equipment	(110,542)	(161,001)
Net cash flows from investing activities	**(110,542)**	**(161,001)**
Cash flows from financing activities		
Government contribution	27,100	335,852
Net cash flows from financing activities	**27,100**	**335,852**
Net decrease in cash and cash equivalents	**(59,987)**	**(58,839)**
Cash and cash equivalents at January 1,	204,005	262,844
Cash and cash equivalents at December 31,	**144,018**	**204,005**
Analysis of cash and cash equivalents as shown in the Statement of Financial Position		
Cash and bank	144,018	204,005
Total	**144,018**	**204,005**

The notes on pages 5 to 9 form an integral part of these financial statements.

National Agricultural Research & Extension Institute Board

Notes to the Financial Statements

For the year ended December 31, 2015

1. Incorporation and principal activity

The National Agricultural Research and Extension Institute Board and the National Agricultural Research and Extension Institute (hereinafter referred together as the "Entity") became operational on May 01, 2011. The Entity promotes greater efficiency in the crops and agricultural product industry; providing enhanced services in Agricultural Research and Extension and Crop Protection; and allowing effective administration and regulation of trade, commerce and export of crops and agricultural products.

The operations of the Entity are governed by a Board of Directors and the associated Advisory Committees to cover Research, Extension (CDSS) and Crop Protection (National Plant Protection Organisation).

These financial statements were approved for issue by the Board of Directors on _________.

2. Statement of significant accounting policies

(a) Basis of accounting

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards and National Agricultural Research and Extension Institute Act 2010 under the historical cost basis, as modified for the revaluation of certain non-current assets and the measurement at fair value of available for sale financial assets.

Application of new and revised Standards and Interpretations

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the prior year except for the adoption of new and amended standards and interpretations which became effective during the period. The adoption of these pronouncements had no impact on the financial position or performance of the Entity.

Standards and Interpretations not yet effective

At the date of authorisation of these financial statements, several new and amended standards and interpretations were in issue but not yet effective. The Entity has not early adopted any such pronouncements. The directors anticipate that the adoption of these standards and interpretations will have no material impact on the financial statements of the Entity.

(b) Accounts receivable

Trade receivables are carried at original invoice amount less provisions made for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Entity will be unable to collect the amounts due under the original terms. The amount of the provision is the difference between the carrying amounts and the estimated recoverable amounts.

(c) Inventories

Inventories are stated at the lower of cost and net realisable value on a first-in first-out (FIFO) basis.

(e) Reporting currency

These financial statements are stated in Guyana Dollars. Foreign currency transactions during the year were translated at the exchange rates in effect at the date of each transaction. At the reporting date monetary assets and liabilities denominated in foreign currencies are translated at the rates in effect at that date.

2. Statement of significant accounting policies continued

(f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on the straight line basis at rates sufficient to write off the cost of the assets over their estimated useful lives. Depreciation is not charged on freehold land, capital work in progress and livestock. The rates used are as follows:

Freehold land	Nil
Work in progress	Nil
Livestock	Nil
Building	5%
Library Books	15%
Laboratory equipment	20%
Household furniture and fittings	20%
Machinery and equipment	20%
Motor vehicles	20%

(g) Income and expenditure

Income and expenses are dealt with in these financial statements on the accruals basis.

(h) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

National Agricultural Research & Extension Institute Board

Notes to the Financial Statements

For the year ended December 31, 2015

3. Property, plant and equipment

	Buildings G$ '000	Machinery, Equipment & Motor Vehicle G$ '000	Furniture, Fittings & Office Equipment G$ '000	Laboratory Equipment G$ '000	Library Books G$ '000	Total G$ '000
Cost						
At December 31, 2014	434,190	298,904	81,881	80,159	2,262	897,396
Additions	39,810	62,347	8,385	-	-	110,542
Disposal	-	(121)	-	-	-	(121)
At December 31, 2015	**474,000**	**361,130**	**90,266**	**80,159**	**2,262**	**1,007,817**
Accumulated depreciation						
At December 31, 2014	206,864	190,903	69,528	77,306	2,262	546,863
Charges for the year	20,503	19,628	4,317	2,081	-	46,529
Written back on disposal	-	(28)	-	-	-	(28)
At December 31, 2015	**227,367**	**210,503**	**73,845**	**79,387**	**2,262**	**593,364**
Net book values						
At December 31, 2015	**246,633**	**150,627**	**16,421**	**772**	**-**	**414,453**
At January 1, 2015	227,326	108,001	12,353	2,853	-	350,533

	2015 G$ '000	2014 G$ '000
4. Accounts receivable		
Debtors	8,500	5,882
Prepayments	24,539	80,823
Staff loans and advances	6,757	6,923
Provision for bad debt	(9,829)	-
	29,967	**93,628**
5. Inventories		
Inventory	177,078	159,552
Provision for inventory write off	(10,343)	-
	166,735	159,552
6. Accounts payable		
Payroll liabilities	-	431
Payable	2,355	1,487
Creditors	10,131	11,404
Accrued expenses	24,504	16
	36,990	**13,338**

7. Key management compensation

Name	Designation	2015 G$ '000	2014 G$ '000
Basudeo Dwarka	Board member	84	84
Brian Greenridge	Board member	84	84
Cecil Seepersaud	Board member	84	84
Gavin Ramnarain	Board member	84	84
George Jervis	Board member	84	84
Holly Greaves	Board member	84	84
Joe Singh	Board Chairman from July- December 2015	60	-
Joe Singh	Board member from January - June 2015	42	84
Mahendra Persaud	Board member	84	84
Manzoor Nadir	Board Chairman from January - June 2015	60	60
Oudho Homenauth	Board member	84	84
Prema Ramanah- Roopnaraine	Board member	84	84
Ricky Roopchand	Board member	84	14
Subramanian Gomathinayagam	Board member from January - June 2015	42	42
T. M. Velloza	Board member	84	84

8. Capital management

The Entity considers its capital structure to consist of funding provided by the Government of Guyana and Foreign entities. The Entity manages its capital structure and makes adjustments to it, in order to have the funds available to support its acquisition, exploration and development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Entity’s management to sustain future development of the business.

There were no changes in the Entities’s approach to capital management during the year ended December 31, 2015. The Entity is not subject to externally imposed capital requirements.

9. Financial instruments and risk management

a) Capital risk

The capital structure of the Entity consist of funding provided by the Government of Guyana and Foreign entities and accumulated loss as disclosed in the statement of comprehensive income.

b) Financial risk management

The Entity’s activities exposes it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and credit risk. Management seeks to minimise potential adverse effects on the financial performance of the Entity by applying procedures to appropriately identify, evaluate and manage these risks.

c) Liquidity risk

The Entity ensures, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or harm to the Entity's reputation. The Entity utilises authorisation for expenditures to further manage capital expenditures and attempts to match its payment cycle with available cash resources.

National Agricultural Research & Extension Institute Board

Notes to the Financial Statements

For the year ended December 31, 2015

9. Financial instruments and risk management (Continued)

d) Foreign currency risk

Currency risk is the risk that the value of a monetary asset or liability fluctuate because of changes in foreign exchange rates. The main currency giving rise to this risk is with the foreign currency bank account denominated in the United States dollar.

The Entity manages this risk by monitoring exchange rates and ensuring that exposure is kept to a minimum. A linear relationship exists between changes in exchange rates and the net exposure as amounts in foreign currency assets and liabilities are subject to market rates of exchange.

At December 31, 2015, balance denominated in foreign currency was as follows:	**2015**	**2014**
	G$ '000	**G$ '000**
Deposits with financial institutions	**14,854**	**14,874**

e) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Entity's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables. Maximum exposure to credit risk is analysed as follows:

Trade and other receivables	39,796	93,627
Deposits with financial institutions	143,629	203,631
Total	**183,425**	**297,258**

An aged analysis of trade and other receivables is as follows:

0 to 30 days past due	24,678	-
Between 30 and 60 days past due	1,553	-
More than 60 days past due	13,565	93,627
Total	**39,796**	**93,627**
Amounts individually assessed as impaired	9,829	-

An account is classified as impaired when there is objective evidence that the Entity will be unable to recover balances due in a timely manner or in full.

f) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount and timing. The Entity manages this risk by ensuring, as far as possible, that financial assets and liabilities are matched to mitigate any significant adverse cash flows.

g) Interest rate risk

This is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Entity is not exposed to significant fair value interest rate risks on its financial assets and liabilities.