AUDITED FINANCIAL STATEMENTS OF THE CHEDDI JAGAN INTERNATIONAL AIRPORT CORPORATION

FOR THE YEAR ENDED
31 DECEMBER 2017

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 2017

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Audit Office of Guyana
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353/PC:61/2/2019 7 August 2019

Mr. Ramesh Ghir
Chief Executive Officer
Cheddi Jagan International Airport Corporation
Timehri
East Bank Demerara.

Dear Mr. Ghir,

AUDIT OF THE BOOKS AND ACCOUNTS OF THE
CHEDDI JAGAN INTERNATIONAL AIRPORT CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2017

Please find attached seven 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,

AUDIT OFFICE OF GUYANA

Nichette Harcourt

Nichette Harcourt
Audit Manager (ag.)
for Auditor General

Audit Office of Guyana
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AG: 77/2019 7 August 2019

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 2017

Opinion

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 2017, 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 5 to 29.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cheddi Jagan International Airport Corporation as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Going Concern

The Corporation's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so. As part of my audit of the financial statements, I have concluded that management's use of going concern basis of accounting in the preparation of the Corporation's financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the Corporation's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on my audit of the financial statements, I also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Corporation's ability to continue as a going concern.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements. Key audit matters are selected from the matters communicated with management, but are not intended to represent all matters that were discussed with them. My audit procedures relating to these matters were designed in the context of my audit of the financial statements as a whole. My opinion on these financial statements is not modified with respect to any of the key audit matters described below and I do not express an opinion on these individual matters.

Government Grants (Refer to Note 14 in the financial statements)

The financial statements detail deferred income at G$1,584,424,649. This is considered a key audit matter as judgement was exercised in amortization of this amount.

How my Audit addressed the Matter

My audit procedures in relation to the measurement of deferred income:

- Verify increase in deferred income to supporting invoices for assets purchased and expenses paid.
- Physical verification of additional capital assets acquired during the year through grants.
- Review the Corporation's policy on amortisation and testing for its reasonableness to ensure consistency with the accounting policy.
- Detailed analysis of the assumptions used by management on their basis for restatement and its compliance with the Corporation's policy and IFRSs.
- Perusal of agreements with the Government of Guyana for funding of expenditures.

Property Plant and Equipment (refer to Note 5 in the financial statements)

The financial statements detailed property, plant and equipment at G$3,873,462,889. This is considered a key audit matter as judgement was exercised in computing depreciation which has been charged to the statement of comprehensive income.

How my audit addressed the Matter

My audit procedures in relation to the value of property, plant and equipment:

- Verify additions to suppliers' invoices and movements in deferred income to the agreement with the Government of Guyana.
- Physical verification of the additions carried out during the year.
- Verifying ownership to legal title.
- Review the Corporation's policy on amortisation and testing for reasonableness to ensure consistency with the accounting policy and compliance with IFRSs.

Revaluation Reserve (refer to Note 13 in the financial statements)

The financial statements detail revaluation reserves at G$4,363,275,954. This is considered a key audit matter as the prior year balance was restated.

How my Audit addressed the Matter

My audit procedures in relation to the restatement of revaluation reserve:

- Detailed review of the Corporation's policy on revaluation and testing for its reasonableness to ensure it was correctly applied in the financial statements.
- Detailed analysis of the assumption used by management on their basis for the restatement and its compliance with the Corporation's policy and IFRSs.
- Detailed review of valuation done to ensure it was issued by a certified valuator and correctly recognised.

Receivables (refer to Note 10 in the financial statements)

The financial statements detail receivables at G$138,783,363. This is considered a key audit matter as judgement was exercised to provide for irrecoverable debt which has been charged to the statement of comprehensive income.

How my Audit addressed the Matter

My audit procedures in relation to the value of receivables:

- Confirmations were received and verified to customers' balances.
- Detailed review on subsequent payments received to confirm receivables balances are not impaired..
- Review the Corporation's policy on provision for bad debt and testing for reasonableness to ensure consistency with the accounting policy and compliance with IFRSs.

Taxation (refer to Note 26 in the financial statements)

The financial statements detail taxation charges and liabilities at G$117,235,414 and G$104,733,146 respectively. This is considered a key audit matter as judgement was exercised to provide for taxation which has been charged to the statement of comprehensive income. This was also the first year the Corporation provided for taxes as required by the Guyana Revenue Authority.

How my audit addressed the matter

My audit procedures in relation to the taxation charges and liabilities:

- Correspondence from the Revenue Authority was perused to verify whether the Corporation is liable for taxes.
- Detailed review of wear and tear allowances computation.
- Detailed review of property tax value for the Corporation's assets.
- Review the Corporation's policy on taxation and testing for reasonableness to ensure consistency with the accounting policy and compliance with tax laws.
- Detailed review of tax compliance to test for accuracy.

Other Matter

In prior years the Corporation transferred surplus funds to the Ministry of Public Infrastructure and no statutory taxes were paid. This ceased from March 2016 and as such taxes are provided for.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

AUDIT OFFICE
OF GUYANA

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

HNN:cr

REPORT OF CHARTERED ACCOUNTANTS PKF, BARCELLOS, NARINE & CO.
TO THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
CHEDDI JAGAN INTERNATIONAL AIRPORT CORPORATION
FOR THE YEAR ENDED DECEMBER 31, 2017

Opinion
We have audited the accompanying financial statements of Cheddi Jagan International Airport Corporation, which comprise the statement of financial position as at December 31, 2017 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion the financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAIs) issued by the International Organization of Supreme Audit Institutions (INTOSAI). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the financial statement section of our report. We are independent of the Corporation within the meaning of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern
The Corporation's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Corporation's financial statements is appropriate.

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.../...

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

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Other Matter
In prior years the Corporation transferred surplus funds to the Ministry of Public Infrastructure and no statutory taxes were paid. This ceased from March 2016 and as such taxes are provided for.

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 the financial statements that are free from material misstatement, whether due to fraud or error. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibility
The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF Barcellos Narine & Co
PKF/ BARCELLOS, NARINE & CO.
106 -107 Lamaha Street
North Cummingsburg
Georgetown

August 5, 2019

CHEDDI JAGAN INTERNATIONAL AIRPORT CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS	Notes	G $	G $ 2016
Non Current Assets			
Property, Plant and Equipment	5	3,873,462,889	3,604,865,005
Intangible Assets	6	6,678,995	13,451,642
Work-in-Progress	7	499,785,998	286,590,308
Total Non Current Assets		4,379,927,882	3,904,906,955
Current Assets			
Investment	8	354,652,144	294,004,588
Inventories	9	34,177,035	38,771,035
Trade and Other Receivables	10	138,783,363	121,396,507
Cash and Cash Equivalents	11	643,866,512	129,563,449
Total Current Assets		1,171,479,054	583,735,579
Total Assets		5,551,406,936	4,488,642,534
EQUITY AND LIABILITIES			
Equity			
Share Capital	12	200,000,000	200,000,000
Revaluation Reserve	13	4,363,275,954	3,847,953,576
Accumulated Deficit		(1,010,267,763)	(1,217,698,664)
Total Equity		3,553,008,191	2,830,254,912
Non Current Liabilities			
Deferred Tax Liability		21,697,722	-
Government Grant	14(a)	1,502,838,446	1,447,929,746
		1,524,536,168	1,447,929,746
Current Liabilities			
Government Grant	14(b)	81,586,250	83,078,324
Trade and Other Payables/VAT	15	309,240,903	127,379,551
Taxation		83,035,424	-
Total Current Liabilities		473,862,577	210,457,875
Total Equity and Liabilities		5,551,406,936	4,488,642,534

These Financial Statements were approved by the Board of Directors for the issuance on 05/08/2019

Mr. Ramesh Ghir
Chief Executive Officer

Ms. Nicola Layne
Director

CHEDDI JAGAN INTERNATIONAL AIRPORT CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	G $	G$ 2016
Operating Income			
Revenue			
Airport Security Fee	16	705,716,323	400,188,000
Airport Income	17	907,894,541	789,978,650
Income Remitted to MPI	18	-	68,033,104
Interest Earned	19	1,598,523	1,072,808
Grant Recognised	14	109,917,864	168,631,459
		1,725,127,251	1,427,904,021
Operating Expenses			
Administrative	20	592,264,543	480,664,684
Operational	21	388,999,436	454,019,086
Expenses Specific to the Agency	22	-	66,627,300
Depreciation and Amortisation	5 & 6	410,196,334	425,935,108
Airport Expansion Expenses	23	27,333,489	20,948,959
Stock Write Back	24	4,252,510	16,558,070
		1,423,046,312	1,464,753,207
Operating Profit/ (Loss)		302,080,939	(36,849,186)
Non Operating Income/Expenses			
Loss on Disposal of Non Current Assets		14,531,436	2,438,201
Loss on Disposal of Intangible Assets		632,890	-
Impairment of Property plant and Equipment		2,719,144	-
Transferred to MPWC	25	-	68,033,104
		17,883,470	70,471,305
Net Comprehensive Income/(Loss) before Taxation		284,197,469	(107,320,491)
Taxation	26	117,235,415	-
Net Comprehensive Income/(Loss) for the Year		166,962,054	(107,320,491)

CHEDDI JAGAN INTERNATIONAL AIRPORT CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Share Capital G $	Revaluation Reserve G $	Accumulated Deficit G $	Total G $
Balance as at January 1, 2016	200,000,000	3,847,953,576	(1,110,378,173)	2,937,575,403
Net Comprehensive Loss for the Year	-	-	(107,320,491)	(107,320,491)
Balance - December 31, 2016	200,000,000	3,847,953,576	(1,217,698,664)	2,830,254,912
Balance as at January 1, 2017	200,000,000	3,847,953,576	(1,217,698,664)	2,830,254,912
Revaluation Surplus	-	555,791,224	-	555,791,224
Disposal of Plant and Equipment	-	(40,468,846)	40,468,846	-
Net Comprehensive Income for the Year	-	-	166,962,054	166,962,054
Balance as at December 31, 2017	200,000,000	4,363,275,954	(1,010,267,763)	3,553,008,191

CHEDDI JAGAN INTERNATIONAL AIRPORT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	G $	G $ 2016
Cash Flow from Operating Activities		
Net Comprehensive (Loss) for the year	284,197,469	(107,320,491)
Adjustments for		
Depreciation	407,468,925	423,592,566
Amortisation	2,727,409	2,342,542
Impairment Loss	2,719,144	-
Grant Recognised	(109,917,864)	(168,631,459)
Loss on Disposal of Intangible Assets	632,890	-
Loss on Disposal of Non Current Assets	14,531,436	2,438,201
Operating Profit before Working Capital Changes	602,359,409	152,421,359
Increase in Payables	181,861,352	47,589,112
Increase in Receivables	(14,232,220)	(54,640,889)
(Increase)/Decrease in Inventories	4,594,000	(428,836)
Government Grant	24,178,853	74,361,538
Net Cash Generated from Operations	798,761,395	219,302,284
Taxation Paid	(12,502,268)	-
	786,259,127	219,302,284
Cash Flow from Investing Activities		
Republic Bank Investment Account	(60,647,556)	(123,465,424)
Government Grant	136,001,001	47,255,570
Proceeds from Sale of Assets	86,628	-
Work In Progress- Net	(213,195,690)	(30,265,819)
Purchase of Intangible Assets	(498,188)	(2,380,390)
Purchase of Capital Equipment	(133,702,258)	(13,087,402)
Net Cash Used from Investing Activities	(271,956,063)	(121,943,465)
Net Increase in Cash and Cash Equivalents	514,303,064	97,358,819
Cash and Cash Equivalents - January 1	129,563,449	32,204,630
Cash and Cash Equivalents - December 31	643,866,513	129,563,449
Analysis of Cash and Cash Equivalents		
Cash in Hand	41,699,917	22,638,323
Cash at Bank	602,166,595	106,925,126
	643,866,512	129,563,449

1. Accounting Policies

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 polices applied in the preparation of these financial statements are set out below.
These polices 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**

Transactions 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.

1. Accounting Policies Cont'd:

(c) **Non-Current Assets and Depreciation and Amortisation**

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

Surplus on valuation is credited to the revaluation reserve.
Depreciation on revalued assets is charged to the statement of comprehensive income. No Depreciation is charged on 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 G$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	-	2.50%
Runway, Taxiway and other Paved Surfaces	-	10%
Machinery and Equipment	-	15%
Fixtures and 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 Standards. 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.

1. Accounting Policies Cont'd:

(f) **Trade and Other Receivables**

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Receivables are measured at cost less any impairment.

(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 the 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**

The tax payable is based on taxable profit for the year. Taxable profit differs from the net profit as reported in the statement of comprehensive income because it excludes items of income and expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax charge is calculated using tax rates that have been enacted at the date of the statement of financial position.

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.

1. Accounting Policies Cont'd:

3. **Adoption of new and revised International Financial Reporting Standards (IFRSs).**

There were several pronouncements by The International Accounting Standards Board (IASB) which are effective for the current financial year. These were issued as a result of the Board's annual improvements to the standards in issue. There were also several other pronouncements as a result of the ongoing improvements which are adopted when they become effective. Management reviews all pronouncements and those that have an impact on the company's financial reporting are generally early adopted.

(i) The following pronouncements which became effective were adopted if applicable:

New and Amended Standards	Effective Annual Periods Beginning:
IAS 7 Disclosure Initiative - Amendments to IAS 7	January 1, 2017
IAS 12 Recognition for Deferred Tax Assets for Unrealised Losses	January 1, 2017
Amendments to IFRS 12 included in the 2014-2016 Annual Improvement Cycle	January 1. 2017

(ii) The following standards or pronouncements have been issued but are not yet effective. However, are available for early adoption:

IFRS 9 - Financial Instruments	January 1, 2018
IFRS 15 - Revenue From Contracts with Customers	January 1, 2018
IFRS 16 - Leases	January 1, 2019
IFRS 17 - Insurance Contracts	January 1. 2021
Amendments to IFRS 2 Classification and Measurement of Share based Payment Transactions	January 1. 2018
Amendments to IAS 40 Transfers of Investment Property	January 1, 2018
Annual Improvements to IFRS 2014-2016 Cycle	January 1, 2018
Annual Improvements to IFRS 2015-2017 Cycle	January 1, 2019
IFRIC 22 Foreign Currency Transactions a 1-Jan-18	January 1, 2018
IFRIC 23 Uncertainty Over Income Tax Treatments	January 1, 2019

4. Key Management Personnel and Directors Remuneration

Key Management Personnel: The sum of approximately forty million dollars (G$40M) was paid to five (4) key management employees for the year 2017.

Key Management Personnel	G $	G $ 2016
Chief Executive Office	17,247,687	16,720,296
Manager, Commercial & Administration	-	3,342,104
Deputy Chief Executive Officer	9,767,882	8,585,385
Head CEO Secretariat	7,230,272	5,940,655
Finance Manager	5,738,146	4,552,349
	39,983,987	39,140,789

	Name	Position	G $	G $ 2016
(i)	Mr. Stephen Fraser	Chairman	-	77,000
(ii)	Mr. Ramesh Ghir	Vice Chairman	84,000	99,000
(iii)	Mr. Sherwood Clarke	Board Member	84,000	77,000
(iv)	Mr. Gerhaard Ramsaroop	Board Member	84,000	77,000
(v)	Mr. Gillian Pollard	Board Member	84,000	77,000
(vi)	Mr. Stuart Hughes	Board Member	-	77,000
(vii)	Ms. Nadira Jaikarran	Board Member	-	28,000
(viii)	Mr. Balraj Balram	Board Member	14,000	77,000
(ix)	Mr. Geoffrey Vaughn	Board Member	7,000	-
(x)	Mr. Kenneth Jordan	Board Member	42,000	-
	Total		399,000	589,000

Ms. Jaikarran resigned as board member effective May 2016. The board fees of all of the above mentioned members with the exception of Mr. Balraj Balram are donated into a staff lottery fund.

5. Property, Plant and Equipment	Land and Building G $	Runway, Taxiway and Other Paved Surface G $	Machinery Plant and Equipment G $	Furniture G $	Motor Vehicles G $	Total G $
Cost/Valuation						
January 1, 2016	2,895,200,786	2,754,716,072	814,340,068	203,871,963	91,549,503	6,759,678,392
Disposal of Assets	(2,653,825)	-	-	-	-	(2,653,825)
Additions	-	-	13,087,402	-	-	13,087,402
January 1, 2017	2,892,546,961	2,754,716,072	827,427,470	203,871,963	91,549,503	6,770,111,969
Adjustments for Revaluation	(222,303,584)	-	(356,002,746)	(92,412,643)	(6,506,150)	(677,225,123)
Disposal of Assets	-	-	(96,982,455)	(2,126,126)	(1,000,000)	(100,108,581)
Additions	55,592,907	-	39,226,450	167,200	38,715,701	133,702,258
December 31, 2017	2,725,836,284	2,754,716,072	413,668,719	109,500,394	122,759,054	6,126,480,523
Comprise of:						
Valuation	907,400,000	1,772,702,473	233,082,667	57,652,720	1,000,000	2,971,837,860
Cost	1,818,436,284	982,013,599	180,586,052	51,847,674	121,759,054	3,154,642,663
Total	2,725,836,284	2,754,716,072	413,668,719	109,500,394	122,759,054	6,126,480,523
Depreciation						
January 1, 2016	350,822,592	1,606,949,731	597,867,633	124,252,559	61,977,507	2,741,870,022
Disposals	(215,624)	-	-	-	-	(215,624)
Charged for the year	56,084,877	273,521,607	64,130,963	19,831,439	10,023,680	423,592,566
January 1, 2017	406,691,845	1,880,471,338	661,998,596	144,083,998	72,001,187	3,165,246,964
Eliminated on Revaluation	(439,501,265)	-	(594,385,759)	(153,673,806)	(46,646,908)	(1,234,207,738)
Retired on Disposal	-	-	(83,004,584)	(1,485,933)	(1,000,000)	(85,490,517)
Charged for the year	53,323,237	273,521,607	51,336,464	15,697,272	13,590,345	407,468,925
December 31, 2017	20,513,817	2,153,992,945	35,944,717	4,621,531	37,944,624	2,253,017,634
Net Book Values:						
December 31, 2017	2,705,322,467	600,723,127	377,724,002	104,878,863	84,814,430	3,873,462,889
December 31, 2016	2,485,855,116	874,244,734	165,428,874	59,787,965	19,548,316	3,604,865,005

Included in motor vehicles are assets totalling G$ 56,067,521 (2016 G$ 17,351,820) owned by the Ministry of Public Infrastructure (MPI) but controlled by the Airport.

	G $	G $ 2016
6. Intangible Assets - Software		
Cost - January 1	22,315,252	19,934,862
Revaluation Adjustment	(10,827,915)	-
Disposals	(1,539,915)	-
Additions	498,188	2,380,390
Cost - December 31	10,445,610	22,315,252
Amortisation - January 1	8,863,610	6,521,068
Revaluation Adjustment	(6,917,379)	-
Retired on Disposal	(907,025)	-
Charged for the year	2,727,409	2,342,542
Amortisation - December 31	3,766,615	8,863,610
Carrying Value - December 31	6,678,995	13,451,642

7. Work-in-Progress

Cost - January 1, 2017	286,590,308	256,324,489
Transfer	(19,665,959)	-
Addition	232,861,649	30,265,819
Cost - December 31, 2017	499,785,998	286,590,308

8. Investment

Republic Bank Limited - Investment Account	354,652,144	294,004,588

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

	G $	G $ 2016
9. Inventories	34,177,035	38,771,035

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

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10. Trade and Other Receivables

	G $	G $ 2016
Accounts Receivables	147,890,364	103,653,801
Less Provision	29,510,046	10,337,325
	118,380,318	93,316,476
Vat to be Claimed	-	1,901,065
Advance on Machinery	4,843,488	13,585,245
Grants Receivables (Note 14 (c))	14,592,057	11,437,421
Pre-Payments	967,500	1,156,300
Total	138,783,363	121,396,507
Age Analysis		
Less than 30 days	96,121,364	76,459,846
More than 30 days but Less than 90 days	5,527,484	7,521,198
More than 90 days	46,241,516	19,672,757
	147,890,364	103,653,801

11. Cash and Cash Equivalents

At Bank		
- Republic Bank Ltd Current Account	278,127,725	95,883,382
- Bank Of Guyana Current Account	324,038,870	11,041,744
Cash in Hand	97,853	46,819
Republic Bank - Credit Cards	(372,412)	-
Undeposited Funds	41,974,476	22,591,504
	643,866,512	129,563,449

12. Share Capital

	G $	G $ 2016
Authorised and Paid-up:		
(200,000 shares @ G$1,000.)	200,000,000	200,000,000

	G $	G $ 2016
13. Revaluation Reserve	4,363,275,954	3,847,953,576

The corporation's property plant and equipment were revalued in 2001 and again in 2014 by the board having taken appropriate independent professional advice. Excess depreciation is transferred to equity on disposal.

	Revenue Grant		Capital Grant	
	Guyana Defense Force Relocation of Barracks	Airport Expansion Project	Land, Equipment and Machinery	Total
14. Government Grants	G $	G $	G $	G $
January 1, 2016	-	-	(1,566,585,000)	(1,566,585,000)
Amount Received during the year	(63,000,000)	(11,361,538)	(47,255,570)	(121,617,108)
Amount Recognized in Comprehensive Income	64,850,000	20,948,959	82,832,500	168,631,459
January 1, 2017	1,850,000	9,587,421	(1,531,008,070)	(1,519,570,649)
(i) Amount Received during the year	(1,850,000)	(22,328,853)	(136,001,001)	(160,179,854)
(ii) Amount Recognized in Comprehensive Income	-	27,333,489	82,584,375	109,917,864
December 31, 2017	-	14,592,057	(1,584,424,696)	(1,569,832,639)

	G $	G $ 2016
(a) Non Current Liabilities	(1,502,838,446)	(1,447,929,746)
(b) Current Liabilities	(81,586,250)	(83,078,324)
(c) Current Assets	14,592,057	11,437,421

(i) Revenue Grants represent amounts to be received from the Government of Guyana in compensation for expenses incurred on the relocation of the Guyana Defense Force (GDF) Barracks and the airport expansion project.

(ii) Capital Grants represent amounts received from the government of Guyana for assets acquired and is written off to the statement of comprehensive income over the period necessary to match them with the cost associated with the assets acquired on a systematic basis.

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15. Trade and Other Payables	G $	G $ 2016
Accounts Payables	-	9,619,032
Accruals	307,625,260	117,760,519
Others	1,615,643	-
	309,240,903	127,379,551

16. Airport Security Fees	705,716,323	400,188,000

Effective January 1, 2017 Airport Security Fee was increased by G$1,000 per ticket. The current cost is G$2,500 per ticket.

17. Income Retained by CJIAC	G $	G $ 2016
CUTE Fees	297,892,428	298,622,140
CJIAC Portion of Pax Screening Fees	42,164,402	31,878,354
Sale of ID Cards	17,927,905	12,564,500
Escort Fees	2,022,000	1,366,000
Other*	53,074,851	16,889,920
Income Previously Remitted to MPI (Note 18)	494,812,955	428,657,736
Total	907,894,541	789,978,650

* Amounts categorised as other include fees charged for the use of the public address system and conference room, training provided, school tours, sale of tender documents, birddog fees and taxi receipt books.

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18. Income Relating to the MPI	Retained by CJIA G $ 2017	Retained by CJIA G $ 2016	Remitted to the MPI G $ 2016	Total G $ 2016
Description				
License and Electricity	84,845,518	78,513,903	10,376,848	88,890,751
Land Lease	11,726,756	12,567,654	5,090,027	17,657,681
Advertisement	28,218,528	27,062,996	4,454,500	31,517,496
Aerodrome	242,738,732	196,433,879	36,049,981	232,483,860
Concession and Security Fees	65,152,361	64,466,504	7,954,048	72,420,552
Taxi Fees	2,834,025	2,554,500	533,000	3,087,500
Red Cap Fees	2,724,233	2,541,000	489,500	3,030,500
Car Park Fees	56,572,802	44,517,300	3,085,200	47,602,500
	494,812,955	428,657,736	68,033,104	496,690,840

In the previous years the corporation transferred the above income to the consolidated fund. Effective March 1, 2016 the corporation ceased to transfer these income to the consolidated fund.

	G $	G $ 2016
19. Interest Earned	1,598,523	1,072,808

This amount represents total interest earned less withholding tax on the business cash management (BCM) Account.

20. Administrative Expenses

Administrative expenses is comprised as follows:

	G $	G $ 2016
Salaries and Wages	449,122,060	368,828,323
Benefits and Allowances	5,676,540	520,281
Employer's NIS	25,873,229	19,407,919
Pension: Employer's Contribution	13,300,348	14,653,530
Drugs and Medical Supplies	65,335	325,714
Office Materials and Supplies	9,807,181	5,163,212
Print and Non-Print Materials	4,957,231	3,112,014
Travel and Subsistence	2,114,242	8,610,474
Postage, Telex and Cablegrams	1,737,390	628,492
Telephone and Internet Charges	15,932,579	11,555,621
Refreshment and Meals	26,294,934	33,044,697
Training	10,805,754	7,002,961
Subscription, Donations and Membership	3,506,879	4,588,453
Temporary Staff and Board Fees - Lottery	2,821,688	3,050,120
Bank Charges	186,113	172,873
Bad Debts	20,063,040	-
	592,264,543	480,664,684

Prior to March 1, 2016, all electricity charges were paid by the Ministry of Finance. Effective 'March 1, 2016, after CJIAC would have ceased transferring monies to the consolidated fund and the Corporation was required to pay its electricity charges.

21. Operational Expenses

Operational expenses is comprised as follows:

	G $	G $ 2016
Runway, Taxiway, Apron Maintenance	1,088,306	687,503
Field Materials and Supplies	19,234,997	9,099,975
Fuel and Lubricants	14,195,009	9,829,370
Maintenance of Buildings	6,379,265	18,758,294
Janitorial and Cleaning Supplies	19,472,946	19,291,809
Maintenance of Roads	622,874	503,864
Maintenance of Other Infrastructure	22,242,308	28,375,058
Vehicle Spares and Services	8,680,661	2,807,637
Electricity	134,296,289	120,972,743
Other Transportation and Travel	43,145,218	68,263,204
Security Charges	38,161,661	44,165,950
Equipment Maintenance	19,917,960	35,615,516
Cleaning and Exterminating	30,890,083	54,942,706
Other – Medical and Legal Services	23,845,398	25,276,044
National and Other Events	6,826,461	15,429,413
	388,999,436	454,019,086

22. Expenses Specific to Agency	-	66,627,300

The expense specific to Agency relates to the GDF Relocation project.

23. AEP Expenses	27,333,489	20,948,959

Airport Expansion Project (AEP) Expenses of G$27,333,489 relates to monies spent on the project for which reimbursement was received from the Ministry expansion funds.

	G $	G $ 2016
24. Stock Write Back	4,252.510	16,558,070

Stock issued but not utilised.

25. Income Transferred to MPI	-	68,033,104

The Board of Directors reviewed the arrangement of transfer of funds to the Consolidated Fund. In absence of any documentation from the Ministry, a decision was taken to cease transfers to the Ministry effective March 1, 2016.

26. Taxation	G $	G $ 2016
Corporation	55,841,151	-
Property	39,696,542	-
Deferred	21,697,722	-
	117,235,415	-
Reconciliation of Corporation Tax		
Accounting Profit	284,197,469	-
Excess Wear and Tear over Depreciation	10,494,177	-
Non Deductible Expenses	19,883,470	-
Income not subject to Corporation Tax	(111,516,387)	-
Adjusted Profit	203,058,729	-
Loss Relief Claimed	-	-
Chargeable Profit	203,058,729	-
Corporation Tax @ 27.5%	55,841,151	-

The Corporation commenced the payment of Corporation and Property Taxes effective January 1, 2017.

27. Capital Commitments

In November 2011, a contract for the extention of the Cheddi Jagan International Airport was signed between the Ministry of Public Infrastructure and China Habour Engineering Company for one hundred and thirty eight million united states dollars (US$138,000,000.00).

The project is supervised by a project manager attached to the Ministry of Public Infrastructure. Upon completion of the project, the total cost will be capitalized by the Cheddi Jagan International Airport. Presently, all cost incurred thus far through the Corporation are treated as work in progress in the financial statements.

The building, as with all other assets managed by the Corporation will remain property of the Government of Guyana. The Government of Guyana is the sole shareholder of the Corportation. The Airport has been appointed to manage all assets within its control.

A summary of the works is below:

(i) Construction of a new Terminal Building measuring 16,000 square meters. The new Terminal Building will have, inter alia the following:

(a) Four (4) Passenger Boarding Bridges;
(b) Two (2) Elevators; and
(c) CCTV and Departures Control Systems.

(ii) Renovation of existing terminal which will be used for departures only.

27. Capital Commitments Continued

(iii) Extension of the Main Runway by 3.500ft to a final length of 11,000ft (capable of accommodating the Boeing 747-400 aircraft).

(iv) Construction of Six (6) International Parking Positions.

The total Airport Expansion Project is expected to cost US$150M.
The Project will be funded by the Government of China through the EXIM Bank of China and the Government of Guyana to the sums of US$138M and US$12M respectively.

The Corporation commited to contributing US$100M towards the construction of a Code D parking position

28. Financial Instruments and Financial Risk Management

Categories of Financial Instruments

Financial Instruments as at the statement of financial position date include investments, loans, receivables, borrowings, and payables.

The company classifies financial instruments as follows:

(i) Loans and Receivables

These comprise of non derivative instruments with fixed or determinable payments that are not quoted in an active market.

(ii) Available for Sale Financial Assets

These are non derivative instruments that are either designated in this category or not classified in any of the other categories.

(iii) Financial Liabilities at Amortized Cost

Financial liabilities which are not classified as Fair Value through profit and loss are classified as financial liabilities measured at amortized cost.

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28. Financial Instruments and Financial Risk Management Cont'd:

Summary of Financial Instruments

December 31, 2017	Loans and Receivables G $	Financial Liabilities G $	Total G $
Financial Assets			
Investments	354,652,144	-	354,652,144
Receivables	138,783,363	-	138,783,363
Cash Resources	643,866,512	-	643,866,512
	1,137,302,019	-	1,137,302,019
Financial Liabilities			
Payables and Accruals	-	309,240,903	309,240,903
Taxation	-	83,035,424	83,035,424
	-	392,276,327	392,276,327
Net Assets/Liabilities	1,137,302,019	(392,276,327)	745,025,692
December 31, 2016			
Financial Assets			
Investments	294,004,588	-	294,004,588
Receivables	121,396,507	-	121,396,507
Cash Resource	129,563,449	-	129,563,449
	544,964,544	-	544,964,544
Financial Liabilities			
Payables and Accruals	-	127,379,551	127,379,551
Net Assets/(Liabilities)	544,964,544	(127,379,551)	417,584,993

28. Financial Instruments and Financial Risk Management

The company's activities expose it to the following risks : credit risk, capital risk and liquidity risk. These risks are inherent to the operations and management of these risks lies with the board of Directors whose objective is to identify, assess, monitor and control in an effort to minimise these risks.

Financial assets of the company include cash, investments and accounts receivable. Financial liabilities of the company include accounts payable.

The fair value of financial assets and liabilities because of their short term maturities are not materially different to their carrying amounts.

Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company.

The company's exposure and the credit ratings of its counterparties are continuously monitored by management and that appropriate action, such as legal action, is taken to protect the company. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Impairment provisions are established for balances, other than that owed by Government or Government agencies and corporation, for which management believes there is a insignificant risk of non-recovery. Cash and cash equivalents are not a major source of credit risk as the counter-parties are mainly regulated financial institutions with no known liquidity problems.

The following table shows the company's maximum exposure. It excludes those assets that are not deemed to give rise to credit risk.

Credit Risk	G $	G $ 2016
Receivables	138,783,363	121,396,507
Cash and Cash Equivalents	643,866,512	129,563,449
Investment	354,652,144	294,004,588
	1,137,302,019	544,964,544

28. Financial Instruments and Financial Risk Management Cont'd:

(ii) **Capital Risk Management**

The Company manages its capital to ensure that it will be able to continue as going concern whilst maximising the return to shareholders through the optimisation of the debt and equity balance. The company's overall strategy remains unchanged from 2016.

The capital structure of the company comprise of net debt and equity of the company (comprising issued capital, grants and loans.).

The Company is not subject to any externally imposed capital requirements.

The Company's board of directors is responsible for the management of its capital. There is no fixed ratio that they comply with.

28. Financial Instruments and Financial Risk Management Cont'd:

(iii) Liquidity Risk Management

Management of the company's liquidity position lies with the Board of Directors. This is managed using forecasted cash flows and by maintaining sufficient line of credit from Financial institutions.

December 31	Up to one year G $	Up to one year G $ 2016
Financial Assets		
Receivables	138,783,363	121,396,507
Investment	354,652,144	129,563,449
Cash Resources	643,866,512	294,004,588
	1,137,302,019	544,964,544
Financial Liabilities		
Payables	309,240,903	127,379,551
Taxation	83,035,424	-
	392,276,327	127,379,551
Net Liquidity Gap	745,025,692	417,584,993

28. Financial Instruments and Financial Risk Management Cont'd:

Market Risks

(i) Interest Rate Risk

The Board of Director is responsible to manage this risk which can arise as a result of future cash flows of a financial instrument or fluctuation in fair value due to changes in the market interest rates.

December 31, 2017	Effective Interest Rate % G $	More than One Year G $	Non Interest Bearing G $	Total G $
Financial Assets				
Investments	0.6%	354,652,144	-	354,652,144
Receivables		-	138,783,363	138,783,363
Cash Resources		-	643,866,512	643,866,512
		354,652,144	782,649,875	1,137,302,019
Financial Liabilities				
Payables and Provisions		-	309,240,903	309,240,903
Taxation		-	83,035,424	83,035,424
		-	392,276,327	392,276,327
Interest Sensitivity Gap		354,652,144		
December 31, 2016				
Financial Assets				
Investments	0.6%	294,004,588	-	294,004,588
Receivables		-	121,396,507	121,396,507
Cash Resources		-	129,563,449	129,563,449
		294,004,588	250,959,956	544,964,544
Financial Liabilities				
Payables and Provisions		-	127,379,551	127,379,551
		-	127,379,551	127,379,551
Interest Sensitivity Gap		294,004,588		

28. Financial Instruments and Financial Risk Management

(ii) Foreign Exchange Risk

Foreign currency risk management lies with the Board of Directors. The company is exposed to this risk primarily from trading. They have not entered into any contractual arrangement to mitigate this risk but they maintain an appropriate amount of liquid funds in the respective currencies to settle liabilities as the need arises.

The following table details the sensitivity to an increase or decrease in the Guyana Dollars against the United States Dollars. This shows an increase of profit amounting to G$8,280,611 (2016 - G$4,175,850) if the exchange rate is to increase by 1%.

	Financial Assets G $	Financial Liabilities G $	Net Assets G $	% Change	Impact on Profit G $
December 31, 2017					
G$ Equivalent to US Dollars	1,137,302,019	309,240,903	828,061,116	1	8,280,611
December 31, 2016					
G$ Equivalent to US Dollars	544,964,544	127,379,551	417,584,993	1	4,175,850