NCN

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CORPORATE HISTORY

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

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

The Birth of Radio

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

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

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

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

The Making of Guyana Broadcasting Corporation

Both Radio Demerara and BGBS operated out of Broadcasting House on High Street. On October 1, 1968, the Government of a newly independent Guyana took over the BGBS's broadcasting facilities. This move resulted in the renaming of the BGBS to the Guyana Broadcasting Service (GBS); and its relocation to Lodge with Hugh Cholmondeley as the first General Manager.

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

State Television & the Emergence of the Guyana Television Broadcasting Corporation

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

Merger of two State Broadcasting Entities

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

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

CORPORATE INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

CHAIRMAN	Enrico Woolford
DIRECTOR	Dane Gobin
DIRECTOR	Margaret Lawrence
DIRECTOR	Michael Leonard
DIRECTOR	Nageshwari Lochanprasad
DIRECTOR	Gordon Moseley
REGISTERED OFFICE	**Homestretch Avenue,** **Durban Park,** **Georgetown,** **Guyana** Telephone: (592) 227-1566/226-0116-7 Facsimile: (592) 226-2253
AUDITORS	Audit Office of Guyana 63 High Street, Kingston, Georgetown, Guyana

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 14th Annual General Meeting of the National Communications Network Inc, for the period ended December 31, 2017, will be held on Monday, ***June 24, 2019***, in the NCN Boardroom, Homestretch Avenue, Durban Park, Georgetown, at 13:15 hrs for the following purposes:

1. To receive and consider the Company's Accounts for the year ended December 31, 2017, and the Reports of the Directors and Auditors thereon.
2. To ratify the appointment of Directors.
3. To authorize the Directors to fix the remuneration of the Auditors.
4. To transact any other business of an Annual General Meeting.

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

BY ORDER OF THE BOARD

Johanna Seaton

JOHANNA SEATON
COMPANY SECRETARY
NATIONAL COMMUNICATIONS NETWORK INC.

May 27, 2019

NATIONAL COMMUNICATIONS NETWORK INC.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED DECEMBER 31, 2017

The Board of Directors submits the Annual Report of the National Communications Network (the Company) including its Audited Financial Statements for the period ended 31st December, 2017.

Results
The Company's revenue for the year amounted to G$338,190,686 as compared with G$384,657,650 for 2016, a decrease of G$46,466,964 or approximately 12.85663%.

Profit after taxation totaled G$6,102,385. Earnings per share amounted to G$0.03.

Dividends
No dividends are proposed.

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

Directors Remuneration
The Company issued a total of G$480,000 in Director's fees for the financial period ended December 31, 2017.

	G$
Enrico Woolford	60,000
Dane Gobin	60,000
Margaret Lawrence	60,000
Michael Leonard	60,000
Gordon Moseley	60,000
Nageshwari Lochanprasad	180,000
	480,000

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

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

Auditors
NCN, a wholly state-owned company, is required by Section 24(1) of the Audit Act 2004, to have its financial statements audited by the Audit Office of Guyana. However, the Auditor General is empowered to contract the services of a Practicing Accountant to act on his behalf. Nizam Ali & Company was engaged by the Auditor General to conduct the audits for the year ended December 31, 2017.

BY ORDER OF THE BOARD

Johanna Seaton

JOHANNA ROSS
COMPANY SECRETARY
NATIONAL COMMUNICATIONS NETWORK INC.

May 27, 2019

NCN

Audit Office of Guyana
P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, http://www.audit.org.gy

AG: 12/2019 20 March 2019

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NATIONAL COMMUNICATIONS NETWORK INC. FOR THE YEAR ENDED 31 DECEMBER 2017

Opinion

Chartered Accountants Nizam Ali and Company have audited on my behalf the financial statements of National Communications Network Incorporated, which comprise the statement of financial position as at 31 December 2017, the statement of profit and loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 5 to 26.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Communications Network Incorporated as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Title deeds for property with net book value of $506,523,297 were not available and a fixed asset register was not maintained by the Company. Further, the Company only recognised annual depreciation charge on additions to fixed assets during the year. I am therefore uncertain of the ownership, existence and valuation of non-current assets stated at $1,599,528,285 and depreciation charge of $19,831,769 in the financial statement.

Emphasis of Matter

Without further qualifying my opinion, I draw attention to note 23 of these financial statements which explains that the Company's current liabilities exceed its asset by $163,832,257. Further operations of the Company is dependent on the ongoing financial support of its principal owner.

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 Company 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 Company'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 Company 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 the going concern basis of accounting in the preparation of the Company's financial statements is appropriate. Except as described in note 23 Management has not identified a material uncertainty that may cast significant doubt on the entity'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 I can guarantee the Company's ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises all the information included in the Company's 2017 annual report but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, bases on the work I have preformed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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.

I also provide those charged with governance with a statement that I have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period.

Report on Other Legal and Regulatory Requirements

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

AUDIT OFFICE ★ OF GUYANA ★

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

Nizam Ali & Company
Chartered Accountants
215 'C' Camp Street
North Cummingsburg
Georgetown

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

REPORT OF THE CHARTERED ACCOUNTANTS NIZAM ALI AND COMPANY TO THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF NATIONAL COMMUNICATIONS NETWORK INC. FOR THE YEAR ENDED DECEMBER 31, 2017

INDEPENDENT AUDITORS' REPORT

To the Shareholder of National Communications Network Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the National Communications Network Inc., which comprise the statement of financial position as at December 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph; the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the company as at December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Title deeds for property with net book value of $506,523,297 were not available and a fixed asset register was not maintained by the company. Further, the company only recognized annual depreciation charge on additions to fixed assets during the year. We were therefore uncertain of the ownership, existence and valuation of non-current assets stated at $1,599,528,285 and depreciation charge of $19,831,769 in the financial statement.

Emphasis of Matter

Without further qualifying our opinion, we draw attention to Note 23 of these financial statements which explains that the Company's current liabilities exceed its current assets by $163,832,257. Further operations of the Company is dependent on the ongoing financial support of its principal owner.

Basis for Opinion

Except as described in the basis for qualified opinion paragraph, we conducted our audit in accordance with Audit Office of Guyana Auditing Standards and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern

The Company'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 Company 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 Company's financial statements is appropriate. Except as described in Note 23 management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Company's ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises all the information included in the Company's 2017 annual report but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 company'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 company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' 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 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 can 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, 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditors' Responsibilities for the Audit of the Financial Statements, continued

- 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the company 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 are required to 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.

We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period.

Report on Other Legal and Regulatory Requirements

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

Nizam Ali & Company

Chartered Accountants

Georgetown, Guyana

February 21, 2019

NATIONAL COMMUNICATIONS NETWORK INC.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	2017 $	2016 $
Operating revenue	**12**	338,190,686	384,657,650
Cost of sales		100,885,247	75,841,082
Gross profit		237,305,439	308,816,568
Operating expenses	**13**	505,468,075	550,225,146
Depreciation		19,831,769	16,651,215
Net operating loss		(287,994,405)	(258,059,793)
Interest and other income		55,708,141	63,770,227
Deferred income	**14**	104,278,653	67,256,205
Income from subvention		134,109,996	150,000,000
Net profit (loss) before taxation	**15**	6,102,385	22,966,639
Taxation	**16**	-	-
Net profit (loss) after taxation		6,102,385	22,966,639
Earnings (loss) per share	**17**	0.03	0.10

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

NATIONAL COMMUNICATIONS NETWORK INC.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Share capital $	Deposit on shares $	Reserves $	Retained earnings $	Capital subvention $	Total $
Year ended December 31, 2017						
As at beginning of year	220,553,395	-	554,536,331	328,164,219	141,923,910	1,245,177,855
Government Grant	-	-	-	-	288,694,442	288,694,442
Net profit for the year	-	-	-	6,102,385	-	6,102,385
Amortisation of Government Grant	-	-	-	-	(104,278,653)	(104,278,653)
Adjustment to share capital	(1)	-	-	-	-	(1)
As at end of year	220,553,395	-	554,536,331	334,266,604	326,339,699	1,435,696,028
Year ended December 31, 2016						
As at beginning of year	220,553,395	-	554,536,331	305,197,580	101,663,823	1,181,951,129
Government Grant	-	-	-	-	107,516,292	107,516,292
Net profit for the year	-	-	-	22,966,639	-	22,966,639
Amortisation of Government Grant	-	-	-	-	(67,256,205)	(67,256,205)
As at end of year	220,553,395	-	554,536,331	328,164,219	141,923,910	1,245,177,855

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

NATIONAL COMMUNICATIONS NETWORK INC.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	2017 $	2016 $
Assets			
Non-current assets			
Property, plant and equipment	5	1,599,528,285	1,353,022,104
Current assets			
Inventories	6	6,125,238	3,640,846
Trade and other receivables	7	54,051,079	64,442,217
Cash and cash equivalents	8	7,321,189	30,059,397
Total current assets		67,497,506	98,142,460
Total assets		**1,667,025,791**	**1,451,164,564**
Shareholder's equity and liabilities			
Shareholder's equity			
Share capital	9	220,553,394	220,553,395
Reserves	10	554,536,331	554,536,331
Capital subvention		326,339,699	141,923,910
Retained earnings		334,266,604	328,164,219
		1,435,696,028	1,245,177,855
Current liabilities			
Trade and other payables	11	231,329,763	205,986,709
		231,329,763	205,986,709
Total shareholder's equity and liabilities		**1,667,025,791**	**1,451,164,564**

.... Director

.... Director

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

NATIONAL COMMUNICATIONS NETWORK INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
	$	$
Cash flows from operating activities		
Net profit (loss) before taxation	6,102,385	22,966,639
Depreciation	19,831,769	16,651,215
Operating profit before working capital changes	25,934,154	39,617,854
Change in inventories	(2,484,392)	1,185,258
Change in trade and other receivables	10,391,138	13,723,925
Change in trade and other payables	25,343,054	31,144,091
Net cash from operating activities	59,183,954	85,671,128
Cash flows from investing activities		
Purchase of plant and equipment	(266,337,950)	(91,078,497)
Net cash used in investing activities	(226,337,950)	(91,078,497)
Cash flows from financing activities		
Change in share capital	(1)	-
Change in subvention	184,415,789	40,260,087
Net cash from financing activities	184,415788	40,260,087
Net (decrease) increase in cash and cash equivalents	(22,738,208)	34,852,718
Cash and cash equivalents as at the beginning of year	30,059,397	(4,793,321)
Cash and cash equivalents as at end of year	**7,321,189**	**30,059,397**

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

1. Background

(a) Incorporation

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

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

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

The Company also has several relay locations throughout the country to facilitate television and radio broadcasting:

Location	Type of Broadcasting
a) Drill	Television
b) Benab	Television
c) Long Creek	Television
d) Essequibo	Television
e) Kwakwani	Television
f) Mabaruma	Television and radio
g) Mahdia	Television and radio
h) Lethem	Television and radio
i) Bartica	Radio

(b) Principal Activity

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

2. Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations adopted

The following new interpretations and amendments to existing guidance are effective for the current financial period and have been adopted by the company in the preparation of these financial statements. The adoption of these standards did not have a material impact on these financial statements.

IAS 12 Income taxes (Amendment- Recognition of Deferred Tax Assets for Unrealised losses)

The amendment to IAS 12 clarifies that unrealised losses on debt instruments measured at fair value in the financial statements and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by holding it to maturity.

IAS 7 Statement of cash flows (Disclosure Initiative Amendments)

The amendment to IAS 7 clarifies that entities shall provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities.

2. Changes in accounting policies and disclosures, continued

(a) New standards, amendments and interpretations adopted- continued

Annual Improvements to IFRS Standards 2014–2016 Cycle

IFRS 12- Disclosure of interests in other entities - The amendment clarifies that the disclosures required in IFRS 12 also apply to interests held for sale and discontinued operations in accordance with IFRS 5.

(b) New standards, amendments and interpretations not yet adopted

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39; Financial Instruments: Recognition and Measurement.

IFRS 9 contains a new recognition and measurement approach, for financial assets that reflects the business model in which assets are managed by their cash flow characteristics.

IFRS 9 contains three principle recognition categories for financial assets measured and amortized at fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity loans, recoverables and available for sale.

IFRS 9 replaces the loss model in IAS 39 with a forward looking expected credit loss (ECL) model. This will require considerable judgment about how changes in economic factors affect ECL which will be determined in a probability weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following basis:

– 12 months ECL's then on ECL's that results from possible default events within 12 months after the reporting date; and,

– Lifetimes ECLs assets, these are ECLs that result from all possible default events over the expected life of a financial instrument.

The company believes that impairment losses are likely to increase and become more volatile for assets in the scope of the IFRS 9 Impairment model.

IFRS 15 - Revenue from Contract with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance. IAS 18 Revenue, IAS 11 Construction contracts and IFRIC 13 Customer Loyalty Programs.

Based on assessment the company does not expect the application of IFRS 15 to result in a significant impact in its financial statements.

The company plans to adopt IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of initial application (January 1, 2018) as a result, the company will not apply the requirement of IFRS 15 to the comparative period presented.

2. Changes in accounting policies and disclosures, continued

(b) New standards, amendments and interpretations not yet adopted, continued

IFRS 16 - Leases

IFRS 16 replaces existing lease guidance, including IAS 17 Leases, IFRIC 4 determining whether an arrangement contains a lease, SIC 15 operating leases - incentives and SIC 27 Evaluating the Substance of transactions in the legal form of the lease. The Standard is effective for annual reporting periods beginning on or after January 1, 2019.

IFRS 16 Introduces a single, on balance sheet lease accounting model for lessees. A lessee recognize a right-of- use asset, representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exception for short-term leases and leases of low-value-items.

Based on the company's initial assessment, no significant impact is expected when these changes becomes effective.

The following amended standards and interpretations are not expected to have a significant impact on the company's financial statements:

– Annual Improvements to IFRSs 2014-2016 cycle (Amendment to IFRS 1 and IFRS 18) - ***Effective January 1, 2018***
– Classification and measurement of Share based payment transactions (Amendment to IFRS 2) - ***Effective January 1, 2018***
– Transfer to investment property (Amendment to IAS 40) - ***Effective January 1, 2018***
– IFRIC 22 - Foreign Currency Transactions and Advance Consideration - ***Effective January 1, 2018***
– IFRIC 23 - Uncertainty over Income Tax Treatments - ***Effective January 1, 2019***

3. Significant accounting policies

(a) Basis of preparation

The financial statements are prepared in Guyana dollars in accordance with International Financial Reporting Standards (IFRS). They have been prepared under the historical cost convention method as modified by the valuation of financial assets available for sale and financial assets at fair value through profit or loss and no account has been taken for the effects of inflation.

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, contingent assets and contingent liabilities at the date of the financial statements and income and expenses during the year. Actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The financial statements were authorised for issue by the Board of Directors on February 21, 2019.

3. Significant accounting policies, continued

(b) Foreign currencies

Functional and presentation currency

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

Transactions and balances

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

(c) Property, plant and equipment

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

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

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

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

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

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

No depreciation is provided on land and work in progress.

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

3. Significant accounting policies, continued

(d) Inventories

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

(e) Trade and other receivables

Trade and other receivables are carried at original invoice value less a provision made for impairment of these receivables. A provision for impairment of trade and other receivable is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

(f) Cash and cash equivalents

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

(g) Trade and other payables

Trade and other payables are recorded at cost.

(h) Revenue recognition

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

(i) Taxation

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

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

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

3. Significant accounting policies, continued

(i) Taxation, continued

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the

extent that it is no longer probable that the related tax benefit will be realised.**Share capital**

Ordinary shares with discretionary dividends are classified as equity.

(j) Provisions

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

(k) Going concern

The accompanying financial statements have been prepared on a going concern basis, which assumes that the company will continue in operation for the foreseeable future.(See note 24)

(l) Financial instruments

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

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

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

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

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

3. Significant accounting policies, continued

(m) Financial instruments, continued

(ii) Other financial assets and liabilities

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

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

(n) Comparative information

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

(o) Subvention

(i) Revenue subvention

Subvention that compensate the company's costs are recognised in the statement of profit or loss and other comprehensive income in the period that these costs are incurred. During the year the company received subvention totaling $134,109,996 (2016 - $ 150,000,000).

(ii) Capital subvention

Subvention relating to purchase of non current assets is credited to the statement of profit or loss and other comprehensive income on a straight line basis over the expected lives of the related assets. During the year the company received capital subvention of $288,694,442 (2016- $ 107,516,292).

4. Significant accounting estimates and judgments

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

Critical accounting estimates

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

(i) Impairment of assets

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

(ii) Useful life of property, plant and equipment

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

Critical accounting judgments

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

(i) Income taxes

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

5 Property, plant and equipment, continued

	2017						
	Land	**Buildings**	**Furniture and fixtures**	**Equipment**	**Motor vehicles**	**Work in Progress**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Cost							
At January 1, 2017	84,008,900	425,690,446	73,033,207	1,223,846,014	83,857,700	2,785,302	1,893,221,569
Additions	-	40,598,330	5,642,506	86,188,011	-	133,909,103	266,337,950
At December 31, 2017	84,008,900	466,288,776	78,675,713	1,310,034,025	83,857,700	136,694,405	2,159,559,519
Accumulated depreciation							
At January 01, 2017	-	22,344,463	51,993,357	450,080,849	15,780,796	-	540,199,465
Charges for the year	-	2,029,916	564,251	17,237,602	-	-	19,831,769
At December 31, 2017	-	24,374,379	52,557,608	467,318,451	15,780,796	-	560,031,234
Net book value							
At December 31, 2017	84,008,900	441,914,397	26,118,105	842,715,574	68,076,904	136,694,405	1,599,528,285

5 Property, plant and equipment

2016

	Land	Buildings	Furniture and fixtures	Equipment	Motor vehicles	Work in progress	Total
	$	$	$	$	$	$	$
Cost							
At January 1, 2016	84,008,900	412,213,366	72,293,890	1,144,328,867	83,857,700	5,440,349	1,802,143,072
Additions	-	13,477,080	739,317	74,076,798	-	2,785,302	91,078,497
Transfer	-	-	-	5,440,349	-	(5,440,349)	-
At December 31, 2016	84,008,900	425,690,446	73,033,207	1,223,846,014	83,857,700	2,785,302	1,893,221,569
Accumulated depreciation							
At January 1, 2016	-	21,670,609	51,919,425	434,177,420	15,780,796	-	523,548,250
Charges for the year	-	673,854	73,932	15,903,429	-	-	16,651,215
At December 31, 2016	-	22,344,463	51,993,357	450,080,849	15,780,796	-	540,199,465
Net book value							
At December 31, 2016	84,008,900	403,345,983	21,039,850	773,765,165	68,076,904	2,785,302	1,353,022,104

6. Inventories

	2017	2016
	$	$
Inventory items for use	6,125,238	3,640,846
	6,125,238	3,640,846

7. Trade and other receivables

	2017	2016
	$	$
Trade receivables	68,643,635	75,768,933
Other receivables	181,242,475	180,710,827
	-	-
Less provision for bad debt	(209,990,819)	(199,908,454)
	39,895,291	56,571,306
VAT receivable	6,029,996	-
Employees and assignment advances	607,792	68,301
Prepayments	-	468,420
Deposit	7,518,000	7,334,190
	54,051,079	**64,442,217**

8. Cash and cash equivalents

	2017	2016
Bank accounts	$	$
Demerara Bank - A/C #4012860	(40,225,368)	2,874,370
Demerara Bank -A/C#1206358	17,685	4,899,463
Republic Bank - A/C# 653-675-9	27,009,793	9,676,997
Demerara Bank - A/C# 401-524-4	20,178,504	12,250,308
	6,980,614	29,701,138
Cash accounts		
Petty cash - Homestretch	240,575	258,259
Petty cash - Linden Branch	60,000	60,000
Petty cash - Berbice Branch	40,000	40,000
	340,575	358,259
	7,321,189	**30,059,397**

9. Share capital

	2017	2016
Authorized	$	$
220,553,395 ordinary shares of no par value	-	-
Issued and fully paid		
220,553,394 (2016- 220,553,395) ordinary shares of no par	**220,553,394**	**220,553,395**

10. Reserves

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

11. Trade and other payables

	2017	2016
	$	$
Trade payables and accrued expenses	73,083,368	67,984,362
Vacation allowance payable	13,756,639	13,699,666
PAYE payable	19,541,935	19,541,935
Others	11,322,285	-
Property tax payable	108,501,536	98,707,070
Deposits refundable	5,124,000	6,053,676
	231,329,763	205,986,709

12. Operating revenue

	2017	2016
	$	$
Advertising	118,402,423	140,220,965
News	21,980,432	21,462,807
Program sponsorship	106,077,587	102,191,728
Sports	22,629,047	22,876,030
Production	64,599,843	94,212,217
Others	4,501,354	3,693,903
	338,190,686	384,657,650

13. Operating expenses

	2017	2016
	$	$
Write down of trade receivables	10,082,365	9,508,376
Property taxes	9,794,466	9,328,569
Employment cost	300,033,921	317,264,475
Fuel and lubricants	6,359,050	6,250,555
Utilities	65,533,280	75,555,709
Security	25,544,000	27,633,900
Repairs and maintenance	18,074,571	28,188,099
Agency commission	10,363,299	14,040,002
Regulatory authority fees	20,805,658	20,736,358
Others	38,877,464	41,719,103
	505,468,075	550,225,146

14. Deferred income

	2017	2016
	$	$
Amortisation of Government Grant	104,278,653	67,256,205

15. Net profit before taxation

	2017	2016
	$	$
Net profit before taxation	6,102,385	22,966,639
After charging:		
Employment cost	300,033,921	317,264,475
Depreciation	19,831,769	16,651,215
Auditors' remuneration	2,800,000	2,500,000

16. Taxation

The Company has approximately G$954,243,563 (2016- $856,067,295) in accumulated corporation tax losses available to reduce future taxable income, which may be carried forward indefinitely. No deferred tax asset has been recognised in respect of this loss, as the ability of the entity to generate future taxable income is uncertain.

17. Earnings per share

	2017	2016
	$	$
Calculated as follows:		
Profit for the year	6,102,385	22,966,639
Number of ordinary shares (see note 9)	220,553,394	220,553,395
Earnings per share	0.03	0.10

18. Related party

(a) Identification of related parties

A party is related to the company if:

(i) Directly or indirectly the party:
- controls, is controlled by, or is under common control with the company;
- has an interest in the company that gives it significant influence over the company; or
- has joint control over the company.

(ii) The party is a member of the key management personnel of the company.
(iii) The party is a close member of the family of any individual referred to in (i) or (ii) above.

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

	2017 $	2016 $
Remuneration paid to key management personnel (Short term benefits)	26,871,856	25,753,666
Remuneration paid to Directors	480,000	530,000

19. Contingencies

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

As at December 31, 2017 the company did not have any material provisions for litigation claims or regulatory assessments. Further, the company does not believe claims or regulatory assessments for which no provision has been recorded will have a material impact on the financial position of the company.

20. Fair Values

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

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

21. Analysis of financial assets and liabilities by measurement basis

December 31, 2017	Loans and receivable $	Other financial assets and liabilities at amortised cost $	Total $
Assets			
Trade and other receivables	54,051,079	-	54,051,079
Cash and cash equivalents	-	7,321,189	7,321,189
	54,051,079	**7,321,189**	**61,372,268**
Liabilities			
Trade and other payables	-	231,329,763	231,329,763
	-	**231,329,763**	**231,329,763**

December 31, 2016	Loans and receivable $	Other financial assets and liabilities at amortised cost $	Total $
Assets			
Trade and other receivables	64,442,217	-	64,442,217
Cash and cash equivalents	-	30,059,397	30,059,397
	64,442,217	**30,059,397**	**94,501,614**
Liabilities			
Trade and other payables	-	205,986,709	205,986,709
	-	**205,986,709**	**205,986,709**

22. Financial risk management

Introduction and overview

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

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

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

(i) Market risk

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

(a) Price risk

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

(b) Currency risk

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

(c) *Interest rate risk*

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

	2017		
	Floating interest rate	**Non interest bearing**	**Total**
	$	$	$
Trade and other receivables	-	54,051,079	54,051,079
Cash and cash equivalents		7,321,189	7,321,189
		61,372,268	61,372,268
Trade and other payables	-	231,329,763	231,329,763
	-	231,329,763	231,329,763

22. Financial risk management, continued

(i) Market risk, continued

(c) Interest rate risk

	2016		
	Floating interest rate $	Non interest bearing $	Total $
Trade and other receivables	-	64,442,217	64,442,217
Cash and cash equivalents	-	30,059,397	30,059,397
	-	94,501,614	94,501,614
Trade and other payables	-	205,986,709	205,986,709
	-	205,986,709	205,986,709

(ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet its commitments associated with financial instruments.

The company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

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

	2017 Maturing				
	Up to six months $	Six months to one year $	Two to five years $	Over five years $	Total $
Assets					
Trade and other receivables	54,051,079	-	-	-	54,051,079
Cash and cash equivalents	7,321,189				7,321,189
	61,372,268	-	-	-	61,372,268
Liabilities					
Trade and other payables	231,329,763	-	-	-	231,329,763
	231,329,763	-	-	-	231,329,763
Liquidity Gap	(169,957,495)	-	-	-	(169,957,495)
Cummulative Gap	(169,957,495)	(169,957,495)	(169,957,495)	(169,957,495)	-

22. Financial risk management, continued

(ii) Liquidity risk, continued

	2016 Maturing				
	Up to six months $	Six months to one year $	Two to five years $	Over five years $	Total $
Assets					
Trade and other receivables	64,442,217	-	-	-	64,442,217
Cash and cash equivalents	30,059,397	-	-	-	30,059,397
	94,501,614	-	-	-	94,501,614
Liabilities					
Trade and other payables	205,986,709	-	-	-	205,986,709
	205,986,709	-	-	-	205,986,709
Liquidity Gap	(111,485,095)	-	-	-	(111,485,095)
Cummulative Gap	(111,485,095)	(111,485,095)	(111,485,095)	(111,485,095)	-

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The maximum amount of credit risk is equal to the balance of cash and trade and other receivables. Cash resources are held with financial institutions licensed in Guyana. The credit risk related to trade and other receivables are mainly due to delays in payments which can result in impairment of trade and other receivables. Reviews of trade and other receivables are performed on a yearly basis. In 2017, an impairment of $10,082,365 was recognized in the statement of profit or loss and other comprehensive income (2016- $9,508,376).

(ii) Capital risk management

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

23. Economic dependency

The Company's current liabilities exceed its current assets by $163,832,257 as at December 31,2017. Future operations of the Company is dependent on the ongoing financial support of its sole shareholder.

RADIO AND TELEVISION FOR GUYANA

FORM OF PROXY

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

I/We

____

of____

A Member/Members of the National Communications Network, Inc. hereby appoint

____

or in his/her absence

____

of____

as my/our Proxy to vote in my/our name(s) and on my/our behalf upon any matter proposed at the ___ Annual General Meeting of the National Communications Network, Inc. to be held on __________, 2019 or any adjournment thereof in such manner as such Proxy may think proper.

As witness my hand this ____________________day of ____________________, 2019.

Signed by the Said ________________________

(Name of Member/s)

____

(Signatures of Member/s)

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