

BERBICE BRIDGE COMPANY INC.

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER, 2020
AN INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BERBICE BRIDGE COMPANY INC.
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Berbice Bridge Company Inc., which comprise the statement of financial position as at 31 December, 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies as set out on pages 2 to 26.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Berbice Bridge Company Inc., as at 31 December, 2020, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's 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.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we have considered the representations of management outlined in note 28 of these financial statements, regarding the prospects of the Company. The Financial Statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. At 31 December, 2020, shareholders' deficit was G\$1,650,535,710 and current liabilities exceeded current assets by G\$ 2,109,236,885. Continuation of the Company as a going concern is dependent on the ability of the Company to make substantial profits in the future and to generate a steady cash flow to meet liabilities as they fall due. As a result of the foregoing, there exists a material uncertainty that casts significant doubt on the entity's ability to continue as a going concern and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

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 IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 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 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, 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.
- 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 which 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 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements cont'd

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.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Companies Act 1991, except for the classification of preferred shares. The Company has complied with the International Financial Reporting Standards' classification of these shares as a financial liability.

TSD Lal & Co.
TSD LAL & CO.
Chartered Accountants

Date: June 30, 2021

77 Brickdam,
Stabroek,
Georgetown,
Guyana.

BERBICE BRIDGE COMPANY INC.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		G\$	G\$
Income:			
Revenue	5 (a)	1,351,194,633	1,486,521,505
Other income	5 (b)	<u>2,156,971</u>	<u>4,665,279</u>
Total income		1,353,351,604	1,491,186,784
Expenditure:			
Employment cost	6 (a)	133,305,555	129,248,290
Administrative expenses		69,928,529	59,758,501
Operating expenses		98,845,345	81,857,466
Amortization	8(a)&8(b)	400,867,252	402,847,648
Depreciation	7	<u>13,260,042</u>	<u>8,899,072</u>
		<u>716,206,723</u>	<u>682,610,977</u>
Profit before interest		637,144,881	808,575,807
Interest expense	6 (c)	<u>403,293,471</u>	<u>482,498,570</u>
Total comprehensive income	6	<u>233,851,410</u>	<u>326,077,237</u>
Basic earnings per share in dollars	10	<u>0.58</u>	<u>0.82</u>

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

BERBICE BRIDGE COMPANY INC.
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Share capital</u>	<u>Accumulated losses</u>	<u>Total</u>
	G\$	G\$	G\$
Balance at 31 December 2018	400,000,000	(2,610,464,357)	(2,210,464,357)
Total comprehensive income for the year	-	326,077,237	326,077,237
Balance at 31 December 2019	400,000,000	(2,284,387,120)	(1,884,387,120)
Total comprehensive income for the year	-	233,851,410	233,851,410
Balance at 31 December 2020	400,000,000	(2,050,535,710)	(1,650,535,710)

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

BERBICE BRIDGE COMPANY INC.

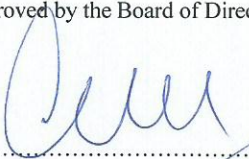
STATEMENT OF FINANCIAL POSITION


AS AT 31 DECEMBER 2020

	Notes	2020	2019
ASSETS		G\$	G\$
Non-Current assets			
Property, plant and equipment	7	162,915,323	174,598,865
Intangible assets: Concession assets	8 (a)	2,604,109,594	3,004,741,840
Intangible assets: Software	8 (b)	-	235,007
		<u>2,767,024,917</u>	<u>3,179,575,712</u>
Current assets			
Inventory	12	62,752,415	62,752,767
Receivables	9	26,084,154	26,952,679
Other receivables and prepayments	11	61,749,560	47,158,057
Cash and bank		234,018,752	131,445,195
		<u>384,604,881</u>	<u>268,308,698</u>
TOTAL ASSETS		<u>3,151,629,798</u>	<u>3,447,884,410</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	400,000,000	400,000,000
Accumulated losses		(2,050,535,710)	(2,284,387,120)
Shareholders' deficit		<u>(1,650,535,710)</u>	<u>(1,884,387,120)</u>
Non-Current liabilities			
Preference shares	14	950,000,000	950,000,000
Subordinated loan stock	15	850,000,000	850,000,000
Corporate bonds tranche 2	16	508,323,742	954,922,175
		<u>2,308,323,742</u>	<u>2,754,922,175</u>
Current liabilities			
Loan due within 1 year-unsecured	17	-	100,000,000
Bonds due within one year	16	1,016,647,483	1,238,330,125
Interest payable		1,459,739,322	1,157,875,000
Deferred income	22	650,000	58,481,798
Accruals and other payables	18	16,804,961	22,566,086
Overdraft-(unsecured)		-	96,346
		<u>2,493,841,766</u>	<u>2,577,349,355</u>
TOTAL EQUITY AND LIABILITIES		<u>3,151,629,798</u>	<u>3,447,884,410</u>

These financial statements were approved by the Board of Directors on June 30, 2021

On behalf of the Board:


.....Director


.....Director

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

BERBICE BRIDGE COMPANY INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>2020</u>	<u>2019</u>
	G\$	G\$
Operating activities		
Profit for the year	233,851,410	326,077,237
Adjustments for:-		
Interest received	(901,535)	(1,217,651)
Interest expense	403,293,471	482,498,570
Gain on assets disposed	-	(2,357,000)
Amortization of intangible assets	400,867,252	402,847,648
Depreciation/adjustment	<u>13,260,042</u>	<u>8,899,072</u>
Operating profit before working capital changes in:	1,050,370,640	1,216,747,876
Inventory	352	1,661,314
Receivables	868,525	3,058,668
Other receivables and prepayment	(14,591,503)	4,611,516
Deferred income	(57,831,798)	49,634,701
Accruals and other payables	<u>(5,761,125)</u>	<u>5,841,144</u>
Net cash provided by operating activities	<u>973,055,091</u>	<u>1,281,555,219</u>
Investing activities		
Interest received	901,535	1,217,651
Acquisition of property, plant and equipment net of adjustment	(1,576,500)	(33,422,153)
Proceeds from disposal of property, plant & equipment, net of charges	<u>-</u>	<u>2,357,000</u>
Net cash used in investing activities	<u>(674,965)</u>	<u>(29,847,502)</u>
Financing activities		
Loan repayment	(100,000,000)	(200,000,000)
Interest paid	(101,429,148)	(302,623,570)
Bond repayments	<u>(668,281,075)</u>	<u>(639,504,400)</u>
Net cash used in financing activities	<u>(869,710,223)</u>	<u>(1,142,127,970)</u>
Net increase in cash and cash equivalents	102,669,903	109,579,747
Cash and cash equivalents at beginning of period	<u>131,348,849</u>	<u>21,769,102</u>
Cash and cash equivalents at end of period	<u>234,018,752</u>	<u>131,348,849</u>
Consisting:		
Cash and bank	234,018,752	131,445,195
Bank overdraft (unsecured)	<u>-</u>	<u>(96,346)</u>
	<u>234,018,752</u>	<u>131,348,849</u>

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

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

1. **Incorporation and principal activities**

The Company was INC. as a private company in Guyana on 1 April, 2005 under the Companies Act, 1991. The principal business activities are to construct a floating bridge across the Berbice River and manage the said bridge for a period of twenty-one (21) years.

2. **New and amended standards and interpretations**

Amendments effective for the current year end

	Effective for annual periods beginning on or after
New and Amended Standards	
Amendments to IFRS 3, 'Business combinations'	
– Definition of a business	1 January 2020
Amendments to IAS 1 and IAS 8 – Definition of material	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7	
– Interest rate benchmark reform	1 January 2020
Amendments to the Conceptual framework	1 January 2020

None of the above new and amended standards and interpretations had a significant effect on the financial statements of the Company.

Pronouncements effective in future periods available for early adoption

	Effective for annual periods beginning on or after
New and Amended Standards	
Amendments to IFRS 16 – Covid-19-related Rent Concessions	1 June 2020
Amendments to IAS 16 – Proceeds before intended use	1 January 2022
Amendments to IFRS 3 – Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	1 January 2022
Amendments to IAS 1 – 'Presentation of financial statements' on classification of liabilities	1 January 2023
IFRS 17, 'Insurance contracts'	1 January 2023
Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture deferred indefinitely	

The Company has not opted for early adoption.

None of the above new and amended standards and interpretations had a significant effect on the financial statements of the Company.

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

3. **Summary of significant accounting policies**

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 1991.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention. The principal accounting policies are set out below.

(c) Property, plant and equipment

Property, plant and equipment are those held for use in the supply of services or for administrative purposes and are stated in the statement of financial position at cost less accumulated depreciation and any subsequent impairment losses.

Motor vehicles, boats and river equipment, office equipment and plant and machinery are stated at cost less accumulated depreciation and any impairment losses.

No depreciation is provided on construction work-in-progress. Depreciation of property, plant and equipment is calculated on a straight line method at rates sufficient to write off the cost or valuation of these assets to their residual values over their estimated useful lives as follows:

Motor vehicle	-	25 %
Boats and river equipment	-	25 %
Furniture and office equipment	-	25 %
Machinery and equipment	-	20 %

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount. The excess of the carrying amount above the recoverable amount is recognized in profit or loss.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(d) Inventory

Inventories are stated at the lower of cost and net realizable value. Inventory is made up of specialized spares for the bridge and cost is determined on a first in first out basis.

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies-cont'd

(e) Foreign currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to Guyana dollars at the Bank of Guyana rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at rates prevailing on the date when the fair value was determined. Gains or losses arising on retranslation are included in the statement of profit or loss and other comprehensive income for the period, except for exchange differences arising on non-monetary assets and liabilities where changes in fair value are recognized directly in the statement of changes in equity.

(f) 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. Revenue is recognized when service is provided. 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 an accrual basis.

(g) Financial liabilities

The Company's financial liabilities are classified as other financial liabilities.

(h) Cash and cash equivalents

Cash and short term funds are held for the purpose of meeting short-term cash commitments rather than investment or other purposes. These are readily convertible to known amounts of cash, with maturity dates of three (3) months or less.

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies-cont'd

(i) Intangible assets

Assets under Concession Agreement

The Company's right to charge users of the Bridge under its concession agreement with the Government of Guyana has been recognized as an Intangible Asset in accordance with IAS 38 Intangible Assets and IFRIC 12 Service Concession Agreement at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on the straight line basis over the period of the Concession Agreement.

Software

Software acquired separately is carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on the straight line basis over their useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period. Amortization is recognized on the straight line basis over the period of the useful lives of the software.

De-recognition of intangible assets

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains and losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount are recognized in profit or loss, when the asset is derecognized.

(j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(k) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized on an effective yield basis.

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies-cont'd

(l) Classification as debt or equity-cont'd

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

The Company derecognizes financial liabilities when the Company's obligations are discharged, cancelled or expired.

(m) Financial assets

Financial assets held by the Company are classified into the following specified categories 'cash resources' and 'receivables' and are stated at amortized cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(n) Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

(o) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discounted rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies-cont'd

(p) Pension Scheme

In October 2014, the Company established a defined contribution pension plan under the management of the Hand in Hand Mutual Life Assurance Co Ltd. The Company's contributions for the year was G\$4,320,590 (2019- G\$3,997,317). The number of employees on the scheme as at 31 December, 2020 was 61 (2019 - 56).

(q) Business reporting divisions

A business reporting division is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business divisions. A geographical division is engaged in providing products or a service within a particular economic environment that are subject to risks and returns that are different from those of divisions operating in other economic environments.

(r) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

(s) De-recognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies-cont'd

(t) Deferred income

Deferred income is recognized in profit or loss on a systematic basis over the periods in which the event associated with the income occurs.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

i) Useful lives of motor vehicles, office equipment, plant and machinery and intangible assets

Management reviews the estimated useful lives of motor vehicles, office equipment, plant and machinery and intangible assets at the end of each year to determine whether the useful lives of motor vehicles, office equipment, plant and equipment and intangible assets should remain the same.

ii) Impairment of financial assets

Management makes judgment on recognition of every financial asset of the expected credit losses. Expected credit losses are estimates of any potential default in payments of contractual cash flows taking into account the entirety of the contract life. These losses are reassessed if the credit risk on the instrument changes. Credit risk is determined based on past and forward-looking information. If the retrieval of forward-looking information causes undue cost or effort past information is used to determine credit risk. There exists significant measurement uncertainty in determining this amount as it is based on management's judgment.

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

	<u>2020</u>	<u>2019</u>
	G\$	G\$
5. (a) Revenue		
Bridge tolls	<u>1,351,194,633</u>	<u>1,486,521,505</u>
(b) Other income		
Interest income	901,535	1,217,651
Others (a)	<u>1,255,436</u>	<u>3,447,628</u>
	<u>2,156,971</u>	<u>4,665,279</u>
 (a) Represent miscellaneous income and sale of advertising spots.		
6. Profit for the year	<u>233,851,410</u>	<u>326,077,237</u>
After charging:		
Employment cost (a)	133,305,555	129,248,290
Trustee fees	728,315	728,313
Directors' fees (b)	2,145,000	2,200,000
Directors' allowances	1,716,000	1,760,000
Interest expense (c)	403,293,471	482,498,570
Amortization	400,867,252	402,847,648
Depreciation	13,260,042	8,899,072
Auditor's remuneration (d)	<u>1,155,000</u>	<u>1,650,000</u>
(a) Employment cost		
Wages and salaries	120,129,704	116,141,019
Other staff costs	<u>13,175,851</u>	<u>13,107,271</u>
	<u>133,305,555</u>	<u>129,248,290</u>
(b) Directors' fees		
Lincoln Lewis	247,500	330,000
Paul Cheong	660,000	605,000
John Seeram	247,500	275,000
Valeri Khan	330,000	220,000
Surendra Persaud	-	55,000
Omadatt Singh	330,000	330,000
Narendranauth Maraj	330,000	302,500
Dwayne Lovell	-	82,500
	<u>2,145,000</u>	<u>2,200,000</u>
(c) Interest expense		
Corporate bonds tranche 1	8,225,587	49,117,936
Corporate bonds tranche 2	175,204,872	200,921,730
Subordinate loan stock	102,000,000	102,000,000
Preference shares	114,000,000	114,000,000
Term loans	<u>3,863,012</u>	<u>16,458,904</u>
	<u>403,293,471</u>	<u>482,498,570</u>
(d) Auditor's remuneration		
Audit services	1,155,000	1,260,000
Other cost	-	390,000
	<u>1,155,000</u>	<u>1,650,000</u>

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

7. Property, plant and equipment

	Motor vehicle	Office equipment	Equipment and Machinery	Boats and River Equipment	Work-in-Progress		Total
	G\$	G\$	G\$	G\$	Genset G\$	Jack up Barge G\$	
Cost:							
At 1 January 2019	20,805,386	30,692,221	39,150,412	5,880,392	7,124,064	126,871,740	230,524,215
Additions	8,173,511	2,519,805	-	21,740,837	988,000	-	33,422,153
Disposals	(5,265,045)	-	-	-	-	-	(5,265,045)
At 31 December 2019	23,713,852	33,212,026	39,150,412	27,621,229	8,112,064	126,871,740	258,681,323
Additions	-	728,249	637,951	170,000	40,300	-	1,576,500
At 31 December 2020	23,713,852	33,940,275	39,788,363	27,791,229	8,152,364	126,871,740	260,257,823
Accumulated depreciation:							
At 1 January 2019	20,544,970	26,151,777	29,988,323	3,763,361	-	-	80,448,431
Charge for the year	1,452,387	1,927,259	3,036,586	2,482,840	-	-	8,899,072
Write back on disposals	(5,265,045)	-	-	-	-	-	(5,265,045)
At 31 December 2019	16,732,312	28,079,036	33,024,909	6,246,201	-	-	84,082,458
Charge for the year	2,043,378	2,186,008	3,062,572	5,968,084	-	-	13,260,042
At 31 December 2020	18,775,690	30,265,044	36,087,481	12,214,285	-	-	97,342,500
Net book values:							
At 31 December 2020	4,938,162	3,675,231	3,700,882	15,576,944	8,152,364	126,871,740	162,915,323
At 31 December 2019	6,981,540	5,132,990	6,125,503	21,375,028	8,112,064	126,871,740	174,598,865

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

	<u>2020</u>	<u>2019</u>
	G\$	G\$
8. Intangible assets		
(a) Assets acquired under a concession arrangement		
Cost:		
At 1 January & 31 December	<u>9,223,652,925</u>	<u>9,223,652,925</u>
Accumulated amortization:		
At 1 January	6,218,911,086	5,818,278,840
Charge for the year	400,632,245	400,632,245
At 31 December	<u>6,619,543,331</u>	<u>6,218,911,085</u>
Net Book Value:		
At 31 December	<u>2,604,109,594</u>	<u>3,004,741,840</u>

On June 12, 2006, the Company signed a concession agreement with the Government of Guyana for the design, construction, development, operations and maintenance of the Berbice River Bridge pursuant to the terms and conditions established within that agreement. The agreement is for a period of twenty one (21) years, unless terminated or extended by mutual agreement or in accordance with any other provisions within the agreement.

The Company has the sole rights to all revenues arising out of the collection of tolls during the concession period.

On the expiration date, all of the Company's right, title and interest in the toll bridge and its associated facilities such as the toll plaza shall be handed over to the Minister responsible.

	<u>2020</u>	<u>2019</u>
	G\$	G\$
(b) Software		
At 1 January	235,007	2,450,410
Amortization	<u>(235,007)</u>	<u>(2,215,403)</u>
At 31 December	<u>-</u>	<u>235,007</u>

This balance represent computer software acquired for toll stations, payroll and time keeping management.

9. Receivables		
Toll and freights	28,286,184	29,154,709
Provision for impairment - individually assessed (a)	<u>(2,202,030)</u>	<u>(2,202,030)</u>
	<u>26,084,154</u>	<u>26,952,679</u>
(a) Expected credit losses		
At 1 January	(2,202,030)	(2,453,105)
De-recognition	-	1,820,675
Recognition of individual losses	-	(1,569,600)
At 31 December	<u>(2,202,030)</u>	<u>(2,202,030)</u>

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

10. **Basic earnings per share**

Calculated as follows:

	<u>2020</u>	<u>2019</u>
	G\$	G\$
Profit for the year	<u>233,851,410</u>	<u>326,077,237</u>
Ordinary shares issued and fully paid	<u>400,000,000</u>	<u>400,000,000</u>
Basic earnings per share in dollars	<u>0.58</u>	<u>0.82</u>

11. **Other receivables and prepayment**

Prepayment (a)	43,909,823	34,085,228
Others	3,319,764	328,952
Value added tax recoverable	<u>14,519,973</u>	<u>12,743,877</u>
	<u>61,749,560</u>	<u>47,158,057</u>

(a) This represents prepaid insurance premiums.

12. **Inventory**

Spares	<u>62,752,415</u>	<u>62,752,767</u>
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The costs of inventory recognised as expenses during the period with respect to the operations was G\$352 (2019- G\$1,661,314).

There was no write-off of inventory in the current or prior year.

The above represents specialty spares, which are held for usage for bridge structure.

13. **Share capital**

Authorized Number of ordinary shares	<u>400,000,000</u>	<u>400,000,000</u>
Special share - NICIL	<u>1</u>	<u>1</u>
	G\$	G\$
Issued and fully paid - 400,000,000 ordinary shares	<u>400,000,000</u>	<u>400,000,000</u>
Fully paid ordinary shares carrying one vote per share and a right to dividends.		

14. **Preference shares**

At 1 January and 31 December 950,000 shares @ G\$1,000 each.	<u>950,000,000</u>	<u>950,000,000</u>
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These preference shares were issued to an investor. The rate of dividend is 11% per annum. Any unpaid amount of dividend shall be carried forward to the next period for payment at an increased rate of 12%. The total preference shares subscription amounted to G\$950 million with a return rate of 11%.

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

15. Subordinated loan stock

	<u>Rate of interest</u>	<u>2020</u>	<u>2019</u>
	%	G\$	G\$
At 31 December	<u>11</u>	<u>850,000,000</u>	<u>850,000,000</u>

The subordinated loan stock will be repaid or redeemed not later than five (5) months after July 31, 2026 which date is referred to as the maturity date. The company will pay interest at the rate of 11% per annum on the said stock in each and every calendar year commencing from December 2006.

In the event that any interest is not paid in respect of the whole or any part of the subordinated loan stock the amount of interest shall be carried forward to next interest period for payment with an increased interest rate of 1% per annum over the 11% previously due.

The subordinated loan stock is unsecured.

16. Corporate bonds

	<u>Rate of Interest</u>	<u>2020</u>	<u>Amount Committed</u>	<u>2019</u>
	%	G\$	G\$	G\$
Corporate bond 1				
Balance at 31 December	<u>9</u>	<u>-</u>	<u>-</u>	<u>401,532,500</u>
Maturing:				
Due within one year		<u>-</u>		<u>401,532,500</u>
Corporate bond 2				
Balance at 31 December	<u>10</u>	<u>1,524,971,225</u>	<u>2,525,000,000</u>	<u>1,791,719,800</u>
Maturing:				
Due within one year		1,016,647,483		836,797,625
Due within two to five years		<u>508,323,742</u>		<u>954,922,175</u>
		<u>1,524,971,225</u>		<u>1,791,719,800</u>

Corporate bonds 1 matured on 30 June 2018. The Company has completely paid off Bond 1 in May, 2020.

Corporate bonds 2 will mature in 2022. Repayment of principal will be in eight semi annual installments commencing in 2018 and concluding in 2022.

Rate of interest is 10% per annum.

These bonds are secured against a first debenture over the fixed and floating assets of the Company.

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

	<u>2020</u> G\$	<u>2019</u> G\$
17. Loans		
Hand-in-Hand Life Assurance Company Limited	-	50,000,000
Guyana Bank for Trade and Industry Limited	-	50,000,000
	<u>-</u>	<u>100,000,000</u>
Due within one year	-	100,000,000
Due within 2-5 years	-	-
	<u>-</u>	<u>100,000,000</u>
Rate of interest	-	7.5%
The above loans are all unsecured. These loans were repaid in May 2020.		

18. Accruals and other payables

Accruals	<u>16,804,961</u>	<u>22,566,086</u>
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The average credit period on purchases of certain goods and services ranges from 30 to 90 days.

No interest is charged on trade payables.

The Company has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

19. Taxation

All income earned by the Company is exempted from Income, Corporation and Withholding Taxes for the duration of the Concession Agreement or for the extended periods that the Minister responsible for Finance may deem necessary on being satisfied that the terms and conditions for the Concession Agreement may be amended or varied.

20. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Listed below are transactions with related parties

(a) Key Management personnel

Compensation

The company's key management personnel is comprised of its General Manager / Company Secretary and Directors.

The remuneration paid to key management personnel during the year was as follows:

	<u>2020</u> G\$	<u>2019</u> G\$
Employees benefits	<u>13,186,000</u>	<u>16,564,760</u>
Directors fees (note 6)	<u>2,145,000</u>	<u>2,200,000</u>
Directors allowances	<u>1,716,000</u>	<u>1,760,000</u>

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

20. Related party transactions - cont'd

Other related party transactions:	<u>2020</u>	<u>2019</u>
Transactions and balances with Companies that share common key management personnel:	G\$	G\$
<u>New GPC Inc</u>		
Corporate bonds	-	1,316,500
Subordinated loan	50,000,000	50,000,000
Interest paid	26,969	2,286,042
Interest payable	<u>33,875,000</u>	<u>27,875,000</u>
<u>National Insurance Scheme</u>		
Corporate bonds	459,001,240	578,784,920
Subordinated loan	500,000,000	500,000,000
Preference shares	950,000,000	950,000,000
Interest paid	27,699,965	86,556,725
Interest payable	<u>1,162,594,311</u>	<u>962,750,000</u>
<u>Hand-in-Hand Mutual Life Insurance Co Limited</u>		
Loan	-	50,000,000
Interest paid	<u>1,931,506</u>	<u>8,229,452</u>
<u>Guyana Bank for Trade and Industry Limited</u>		
Corporate bonds	120,789,800	168,248,400
Loan	-	50,000,000
Loan repayment	50,000,000	-
Interest paid	9,547,368	27,364,893
Interest payable	<u>6,801,135</u>	<u>-</u>
<u>Hand-in-Hand Trust Co Limited</u>		
Corporate bonds	60,394,900	70,959,200
Loan repayment	50,000,000	-
Interest paid	3,673,086	8,762,508
Interest payable	<u>3,400,567</u>	<u>-</u>
<u>Hand-in-Hand Fire Insurance Co. Ltd.</u>		
Premiums paid	58,895,534	57,381,189
Prepayment	<u>43,710,979</u>	<u>32,809,784</u>
<u>North American Fire & General Insurance Co.</u>		
Premiums paid	340,875	503,375
Prepayment	<u>198,844</u>	<u>347,802</u>

21. Pending litigation

There are two pending legal matters against the company, the outcome of which cannot be determined at this stage.

22. Deferred income

(a) Commuters' subsidy	<u>2020</u>	<u>2019</u>
At 1 January	G\$	G\$
Received during the year	57,281,798	8,847,097
Transfer to statement of income	74,992,420	201,377,281
At 31 December	<u>(133,707,660)</u>	<u>(152,942,580)</u>
	<u>(1,433,442)</u>	<u>57,281,798</u>
(b) Advance on Advertising Spots		
At 1 January	1,200,000	-
Received during the year	-	1,800,000
Transfer to statement of income	(550,000)	(600,000)
At 31 December	<u>650,000</u>	<u>1,200,000</u>

(a) Commuters' subsidy

On 28 December 2015, the Government of Guyana and the Company entered into an agreement where the Government shall pay to the Company, a subsidy to reduce the toll payable by a consumer in respect of passenger car and mini bus from G\$2,200 to G\$1,900 and for all other types of vehicle by 10%, excluding vessels.

This is not a subsidy to the operational cost of the Company.

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

23. Analysis of financial assets and liabilities by measurement basis

2020	Financial assets	Financial liabilities	Total
	held at amortized cost	held at amortized cost	
	G\$	G\$	G\$
Assets			
Receivables	26,084,154	-	26,084,154
Other receivables and prepayment	61,749,560	-	61,749,560
Cash and bank	234,018,752	-	234,018,752
	<u>321,852,466</u>	<u>-</u>	<u>321,852,466</u>
Liabilities			
Preference shares	-	950,000,000	950,000,000
Subordinated loan stock	-	850,000,000	850,000,000
Corporate bonds tranche 2	-	1,524,971,225	1,524,971,225
Accruals and other payables	-	16,804,961	16,804,961
Deferred income	-	650,000	650,000
Interest payable	-	1,459,739,322	1,459,739,322
	<u>-</u>	<u>4,802,165,508</u>	<u>4,802,165,508</u>
2019			
	Financial assets	Financial liabilities	Total
	held at amortized cost	held at amortized cost	
	G\$	G\$	G\$
Assets			
Receivables	26,952,679	-	26,952,679
Other receivables and prepayment	47,158,057	-	47,158,057
Cash and bank	131,445,195	-	131,445,195
	<u>205,555,931</u>	<u>-</u>	<u>205,555,931</u>
Liabilities			
Preference shares	-	950,000,000	950,000,000
Subordinated loan stock	-	850,000,000	850,000,000
Corporate bonds tranche 1	-	401,532,500	401,532,500
Corporate bonds tranche 2	-	1,791,719,800	1,791,719,800
Loans	-	100,000,000	100,000,000
Accruals and other payables	-	22,566,086	22,566,086
Deferred income	-	58,481,798	58,481,798
Interest payable	-	1,157,875,000	1,157,875,000
Overdraft-(unsecured)	-	96,346	96,346
	<u>-</u>	<u>5,332,271,530</u>	<u>5,332,271,530</u>

NOTES ON THE ACCOUNTS

24. Financial risk management

Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The company seeks to minimize the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk which are approved by the board of directors.

The Company's Management reports monthly to the board of directors on matters relating to risk and management of risk.

(a) Market risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

(i) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to change in market interest rates.

The company's management continually monitors and manages these risks through the use of appropriate tools and implements relevant strategies to hedge against any adverse effects.

	Average interest rate %	Maturing 31-12-2020				Total G\$
		1 year G\$	Within 2-5 years G\$	Over 5 years G\$	Non-interest bearing G\$	
Assets						
Receivables		-	-	-	26,084,154	26,084,154
Other receivables and prepayment		-	-	-	61,749,560	61,749,560
Cash at bank	0.75	233,688,752	-	-	-	233,688,752
		<u>233,688,752</u>	<u>-</u>	<u>-</u>	<u>87,833,714</u>	<u>321,522,466</u>
Liabilities						
Preference shares	11.00	-	570,000,000	380,000,000	-	950,000,000
Subordinated loan stock	11.00	-	510,000,000	340,000,000	-	850,000,000
Corporate bonds tranche 2	10.00	1,016,647,483	508,323,742	-	-	1,524,971,225
Accruals and other payables		-	-	-	16,804,961	16,804,961
Deferred income		-	-	-	650,000	650,000
Interest payable	12.00	1,459,739,322	-	-	-	1,459,739,322
		<u>2,476,386,805</u>	<u>1,588,323,742</u>	<u>720,000,000</u>	<u>17,454,961</u>	<u>4,802,165,508</u>
Interest sensitivity gap		<u>(2,242,698,053)</u>	<u>(1,588,323,742)</u>	<u>(720,000,000)</u>		
		Maturing 31-12-2019				
		Within 1 year G\$	Within 2-5 years G\$	Over 5 years G\$	Non-interest bearing G\$	Total G\$
Assets						
Receivables		-	-	-	26,952,679	26,952,679
Other receivables and prepayment		-	-	-	47,158,057	47,158,057
Cash and bank	0.75	131,445,195	-	-	-	131,445,195
		<u>131,445,195</u>	<u>-</u>	<u>-</u>	<u>74,110,736</u>	<u>205,555,931</u>
Liabilities						
Preference shares	11.00	-	570,000,000	380,000,000	-	950,000,000
Subordinated loan stock	11.00	-	510,000,000	340,000,000	-	850,000,000
Corporate bonds tranche 1	9.00	401,532,500	-	-	-	401,532,500
Corporate bonds tranche 2	10.00	836,797,625	954,922,175	-	-	1,791,719,800
Loans	7.50	100,000,000	-	-	-	100,000,000
Accruals and other payables		-	-	-	22,566,086	22,566,086
Deferred income		-	-	-	58,481,798	58,481,798
Interest payable	12.00	1,157,875,000	-	-	-	1,157,875,000
Overdraft-(unsecured)	18.25	96,346	-	-	-	96,346
		<u>2,496,301,471</u>	<u>2,034,922,175</u>	<u>720,000,000</u>	<u>81,047,884</u>	<u>5,332,271,530</u>
Interest sensitivity gap		<u>(2,364,856,276)</u>	<u>(2,034,922,175)</u>	<u>(720,000,000)</u>		

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

24. **Financial risk management - cont'd**

(a) Market risk- cont'd

- (i) Interest rate risk-cont'd
Interest rate sensitivity analysis.

The Company's exposure to interest rate sensitivity is immaterial due to fixed interest rates for loan stock and bonds.

- (ii) Currency risk

The Company's exposure to the effects of fluctuations in foreign currency exchange rates arise mainly from foreign payables and US\$ bank account. The currency which the Company is mainly exposed to is United States Dollar.

The Company's exposure to foreign currency risk is immaterial.

- (iii) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimize the risk.

The Company is not significantly exposed to price risks.

(b) Credit risk

Credit risk is the risk that financial loss arises from the failure of a customer to meet its obligations under a contract, it arises in the case of the company, principally from receivables and cash resources holdings.

Cash and bank includes balances held at financial institutions. These banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their obligations as they fall due.

The related risk is therefore considered very low.

The Company's exposure to credit risk is continuously monitored to ensure that amounts are recovered. Management implicitly monitors the analysis of credit risk portfolio.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements.

The table below shows the Company's maximum exposure to credit risk.

	<u>2020</u>	<u>2019</u>
	G\$	G\$
Gross maximum exposure:		
Receivable	28,286,184	29,154,709
Other receivables- excluding prepayment	17,839,737	13,072,829
Cash resources at banks	233,688,752	131,445,195
Total credit risk exposure	<u><u>279,814,673</u></u>	<u><u>173,672,733</u></u>

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

24. Financial risk management - cont'd

(b) Credit risk cont'd

Where financial instruments are recorded at fair value the amounts shown on the previous page represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

Concentration of risk is managed by client/counterparty, by geographical region and by industry sector as detailed in the following:

Geographical sectors

The company's maximum credit exposure, after taking account of credit loss provisions established can be analyzed by the following geographical sectors based on the country of domicile of counterparties:

	<u>2020</u> G\$	<u>2019</u> G\$
Guyana	<u>279,814,673</u>	<u>173,672,733</u>
Gross receivables before provisions for impairment	<u>28,286,184</u>	<u>29,154,709</u>
<u>Credit quality of receivables:</u>		
Current	10,582,195	15,242,566
Past due but not impaired	15,501,959	11,710,113
Impaired	<u>2,202,030</u>	<u>2,202,030</u>
	<u>28,286,184</u>	<u>29,154,709</u>
Past due but not impaired		
Past due over 120 days but less than 1 year	<u>15,501,959</u>	<u>11,710,113</u>
Aging of past due but not impaired		
31-60 days	3,593,563	455,596
61-90 days	630,277	150,056
91-120 days	349,318	145,095
Over -120 days	<u>10,928,801</u>	<u>10,959,366</u>
	<u>15,501,959</u>	<u>11,710,113</u>
While the foregoing are past due they are still considered collectible in full.		
Provision for impairment - individually assessed	<u>2,202,030</u>	<u>2,202,030</u>

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

24. Financial risk management - cont'd

(c) 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:

	31.12.2020					Total
	Within one year			Within	Over	
	On demand	Due in 3 mths	Due 3 - 12 mths	2-5 years	5 years	
G\$	G\$	G\$	G\$	G\$	G\$	
Liabilities						
Preference shares	-	-	-	570,000,000	380,000,000	950,000,000
Subordinated loan stock	-	-	-	510,000,000	340,000,000	850,000,000
Corporate bonds tranche 2	-	-	1,016,647,483	508,323,742	-	1,524,971,225
Accruals and other payables	-	-	16,804,961	-	-	16,804,961
Deferred income	-	-	650,000	-	-	650,000
Interest payable	-	-	1,459,739,322	-	-	1,459,739,322
Overdraft-(unsecured)	-	-	-	-	-	-
	-	-	2,493,841,766	1,588,323,742	720,000,000	4,802,165,508

	31.12.2019					Total
	Within one year			Within	Over	
	On demand	Due in 3 mths	Due 3 - 12 mths	2-5 years	5 years	
G\$	G\$	G\$	G\$	G\$	G\$	
Liabilities						
Preference shares	-	-	-	570,000,000	380,000,000	950,000,000
Subordinated loan stock	-	-	-	510,000,000	340,000,000	850,000,000
Corporate bonds tranche 1	-	-	401,532,500	-	-	401,532,500
Corporate bonds tranche 2	-	-	836,797,625	954,922,175	-	1,791,719,800
Loans	-	-	100,000,000	-	-	100,000,000
Accruals and other payables	-	-	22,566,086	-	-	22,566,086
Deferred income	-	-	58,481,798	-	-	58,481,798
Interest payable	-	-	1,157,875,000	-	-	1,157,875,000
Overdraft-(unsecured)	96,346	-	-	-	-	96,346
	96,346	-	2,577,253,009	2,034,922,175	720,000,000	5,332,271,530

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

25. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of cash equivalents and equity comprising of issued capital and accumulated losses.

Gearing ratio

The Company's management reviews the capital structure on an on-going basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital.

The Company has not set a target gearing ratio .

The Company has a negative gearing ratio.

The Company will determine a dividend policy when its financial performance is at a level that the Directors are of the opinion that profits will be sustained.

26. Investors investments in excess of 5%.

The following are the investors whose investments in the company were in excess of five percent of ordinary share capital, preference shares, subordinated loan stock and Corporate bonds tranche 1 and 2 as at 31 December 2020.

- (a) National Insurance Scheme
- (b) Guyana Sugar and Trading Enterprise Pension Scheme
- (c) New Building Society Ltd.

27. Disclosure of preference shares

The company has complied with the requirements of IFRS on the classification of Preference Shares as a liability. However, this conflicts with the Companies Act 1991 Part II Division C which recognises Preference Shares as a class of shares included in share capital.

28. Prospects

In the year 2012, the Company applied the requirements of IFRIC 12 Service Concession Arrangements and IAS 38 Intangible Assets on its assets. This significantly reduced its recorded profits and retained earnings. The Company's previous projections and prospects were all adversely affected by the application of the IFRIC 12 interpretation which was not in effect at the onset of the Bridge Project.

There continues to be a high demand on the Company's cash flows for principal and interest commitments from years 2020 to 2022.

The Company remains optimistic about its future and has employed strategic plans designed to ensure that it remains a financially viable company, committed to providing a safe and reliable service to its commuters. This will be achieved through the implementation of sound strategies and financial risk management plans to ensure sustainability and the honoring of all its commitments; and, by the Company strictly adhering and complying with its Operations and Maintenance manuals, plans and preventive maintenance programs, inclusive of capital works on the bridge's substructure, superstructure and ancillary units.

The Board and Management have projected that the Company will continue to generate profits in the near future.

BERBICE BRIDGE COMPANY INC.

NOTES ON THE ACCOUNTS

29. Fair value of assets and liabilities

Fair value measurement recognized in the statement of financial position

Level 1 - Fair value determination is with reference to quoted prices in active markets for identical assets and liabilities.

Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table details the carrying value and fair value of assets and liabilities

	2020			2019		
	IFRS 13 Level	Carrying Value G\$	Fair Value G\$	IFRS 13 Level	Carrying Value G\$	Fair Value G\$
Assets						
Receivables	2	26,084,154	26,084,154	2	26,952,679	26,952,679
Other receivables and prepayment	2	61,749,560	61,749,560	2	47,158,057	47,158,057
Cash and bank	1	234,018,752	234,018,752	1	131,445,195	131,445,195
		<u>321,852,466</u>	<u>321,852,466</u>		<u>205,555,931</u>	<u>205,555,931</u>
Liabilities						
Preference shares	2	950,000,000	950,000,000	2	950,000,000	950,000,000
Subordinated loan stock	2	850,000,000	850,000,000	2	850,000,000	850,000,000
Corporate bonds tranche 1		-	-	2	401,532,500	401,532,500
Corporate bonds tranche 2	2	1,524,971,225	1,524,971,225	2	1,791,719,800	1,791,719,800
Loans		-	-	2	100,000,000	100,000,000
Accruals and other payables	2	16,804,961	16,804,961	2	22,566,086	22,566,086
Deferred income	2	650,000	650,000	2	58,481,798	58,481,798
Interest payables	2	1,459,739,322	1,459,739,322	2	1,157,875,000	1,157,875,000
Overdraft-(unsecured)		-	-	1	96,346	96,346
		<u>4,802,165,508</u>	<u>4,802,165,508</u>		<u>5,332,271,530</u>	<u>5,332,271,530</u>

Valuation techniques and assumptions applied for the purposes of measuring fair value:

The fair value of financial assets and financial liabilities were determined as follows:

- (a) Receivables: the fair value is based on expected realization of outstanding balances taking into account the Company's history.
- (b) Financial instruments where the carrying amounts are equal to fair value :- Due to the short maturity, the carrying amounts of certain financial instruments are assumed to approximate their fair value. These includes cash resources, other receivables and prepayments, and current liabilities. Non- current liabilities are assumed to approximate their fair value.

30. Approval of the financial statements.

These financial statements were approved by the Board of Directors and authorized for issue on June 30, 2021.