

**AUDITED FINANCIAL STATEMENTS OF THE  
GUYANA ELECTRICITY CORPORATION INC.**

**FOR THE YEAR ENDED  
31 DECEMBER 2008**

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



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AG: 87/2012

25 September 2012

REPORT OF THE AUDITOR GENERAL  
TO THE MEMBERS OF  
GUYANA ELECTRICITY CORPORATION INC.  
ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

I have audited the accompanying financial statements of Guyana Electricity Corporation which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The audit was conducted in accordance with the Audit Act of 2004.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not

for the purpose of appropriateness of accounting policies used and the reasonableness made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Qualified Opinion arising from Limitation in Scope and Uncertainty

The amount of \$1.018B is shown in the Balance Sheet as Receivables. This represents amounts owing by GPL Inc., Electricity Sector, Guyana Energy Authority and others. However, supporting documentation to substantiate this amount was not presented for audit. As a result, the completeness, accuracy and validity of the amount shown could not be verified.

Included in the Balance Sheet is the sum of (\$1.525B) which is shown as Extraordinary Item. Despite repeated request, documentary evidence in support of the amount shown was not presented for audit verification. In addition, there were no alternative audit checks that could have been carried out. In the circumstance, the completeness, accuracy and validity of the amount stated could not be determined.

The amount of \$5.084B is shown in the Balance Sheet as Non-Current Liabilities. Included in this amount are the sums of \$4.637B and \$388.878M which represents Government of Guyana Loans and Consumer Deposits, respectively. However, supporting documentations to substantiate the amount shown as Consumer Deposits were not presented for audit examination. As a result, the completeness, accuracy and validity of the amount shown could not be verified.

Included in the amount of \$4.321B shown as Current Liabilities in the Balance Sheet is the sum of \$4.163B which represents amounts owing to the Guyana Energy Authority and the sum of \$150.280M which represents amounts owing to the Guyana Revenue Authority. However, in the absence of the related invoices and other supporting documentation, the completeness, accuracy and validity of the amounts shown could not be determined.

Except for any adjustments which might have been shown to be necessary as a result of the matters referred to in the preceding paragraphs, in my opinion the financial statements present fairly, in all material respects, the financial position of the Guyana Electricity Corporation Inc. as at 31 December 2008, and its surplus and cash flows for the year then ended in conformity with International Financial Reporting Standards.



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63 HIGH STREET  
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GUYANA

**GUYANA ELECTRICITY CORPORATION INC.**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD 1 JANUARY 2008 TO 31 DECEMBER 2008**

	Notes	<u>2008</u> G\$	<u>2007</u> G\$
<b>Income</b>	<b>3</b>	-	-
Administrative Expenses	4	747,650	872,469
Depreciation		116,724	116,722
<b>Net Operating Profit</b>		<u>(864,374)</u>	<u>(989,191)</u>
Taxation		-	-
<b>Net Profit for the Year</b>		<u>(864,374)</u>	<u>(989,191)</u>

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

**GUYANA ELECTRICITY CORPORATION INC.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD 1 JANUARY 2008 TO 31 DECEMBER 2008**

	<u>Share Capital</u> G\$	<u>Opening Deficit b/f</u> G\$	<u>Extraordinary Item</u> G\$	<u>Retained Earnings</u> G\$	<u>Total</u> G\$
<b>Balance at 31 December 2006</b>	-	(6,278,805,966)	(1,524,877,509)	(554,257,665)	(8,357,941,140)
Net profit for the year	-	-	-	(989,191)	(989,191)
<b>Balance at 31 December 2007</b>	-	(6,278,805,966)	(1,524,877,509)	(555,246,856)	(8,358,930,331)
Net profit for the year	-	-	-	(864,374)	(864,374)
<b>Balance at 31 December 2008</b>	-	(6,278,805,966)	(1,524,877,509)	(556,111,230)	(8,359,794,705)

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

