

**AUDITED FINANCIAL STATEMENTS Of THE  
GUYANA NATIONAL COOPERATIVE BANK**

**FOR THE YEAR ENDED  
31 DECEMBER 2008**

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



## *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: 105/2012

1 November 2012

REPORT OF THE AUDITOR GENERAL  
TO THE MEMBERS OF THE  
GUYANA NATIONAL COOPERATIVE BANK  
ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

I have audited the accompanying financial statements of the Guyana National Cooperative Bank (GNCB) which comprised of the balance sheet as at 31 December 2008, profit and loss account and the cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information. 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, 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.

### *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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts 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 control 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 expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates 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 my audit opinion.

Qualified Opinion Arising from Limitation in Scope and Uncertainties

The amount of \$525,692,000 was shown as Receivables from GNCB/PHI as at 31 December 2008. The Bank transferred to receivables from GNCB/Property Holding Inc. an amount of \$525,692,000 representing the net book value of properties vested in this Company (GNCB/ Property Holding Inc.). The Bank did not account for this transaction when the vesting took place. As a result of the vesting, adjustments should have been made on the "Revaluation Reserves" and the consideration for the properties vested should have been accounted for. I am therefore unable to express an opinion on the revaluation reserves of \$886,226,000. In the circumstance, the completeness, accuracy and validity of the amount shown as receivables from GNCB/PHI and the amount shown as revaluation reserve could not be determined.

The Bank did not make provision for Corporation and Property Taxes for the current year. As a result, the completeness, accuracy and validity of the amount of \$36,101,000 and \$98,956,000 stated as taxes payable and profit after taxation respectively, could not be verified.

In my opinion, except for any adjustments which might have shown to be necessary as a result of the matters referred to in the preceding paragraphs, the financial statements presents fairly, in all material respects the financial position of the Guyana National Co-operative Bank as at 31 December 2008, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.



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GUYANA NATIONAL CO-OPERATIVE BANK

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>Notes</u>	<u>2008</u> G\$ 000	<u>2007</u> G\$ 000
Interest income			
Loans and advances		28,484	40,246
Bank deposits		18,969	20,405
		<u>47,452</u>	<u>60,651</u>
Net interest (expense)/income		<u>47,452</u>	60,651
Fee and commission income		9,214	21,252
Profit on disposal of fixed assets		7	319
		<u>-</u>	<u>-</u>
		<u>9,221</u>	<u>21,571</u>
Total operating income		<u>56,674</u>	<u>82,222</u>
Administrative expenses - staff costs		40,959	39,411
Administrative expenses - other		34,564	29,546
Depreciation		2,141	2,569
		<u>77,663</u>	<u>71,525</u>
Operating profit/loss before provisions		<u>(20,990)</u>	10,697
Provisions net of recoveries		119,946	136,941
		<u>-</u>	<u>-</u>
Profit before taxation		<u>98,956</u>	<u>147,638</u>
Taxation		<u>-</u>	<u>-</u>
Profit after taxation		<u>98,956</u>	<u>147,638</u>
Earnings per share in dollars	3	<u>40</u>	<u>59</u>

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

GUYANA NATIONAL CO-OPERATIVE BANK

BALANCE SHEET

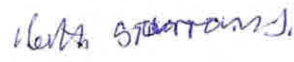
AT 31 DECEMBER 2008

	Notes	2008 G\$ 000	2007 Restated G\$ 000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	4	3,164	4,672
Other Investments		555,000	540,000
Receivable from GNCBPHI		525,692	525,692
Other	5	197,023	171,581
		<u>1,280,879</u>	<u>1,241,945</u>
<b>Current Assets</b>			
Other	5	14,411	15,745
Cash and balances with banks	6	967,325	829,296
Loans and advances	7	551,759	630,369
Total Current Assets		<u>1,533,495</u>	<u>1,475,410</u>
<b>TOTAL ASSETS</b>		<u><b>2,814,377</b></u>	<u><b>2,717,355</b></u>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves			
Share capital	8	250,000	250,000
Revaluation reserve	9	886,226	886,226
Other reserve	9	596,620	596,620
Retained earnings		954,428	855,472
		<u>2,687,274</u>	<u>2,588,318</u>
<b>Non current Liabilities</b>			
Taxes payable		36,101	36,101
Other non current liabilities	10	91,002	92,937
Total liabilities		<u>127,103</u>	<u>129,038</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,814,377</b></u>	<u><b>2,717,355</b></u>

Director



Director



Date 10.01.2012.

Date 10.01.2012.



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

