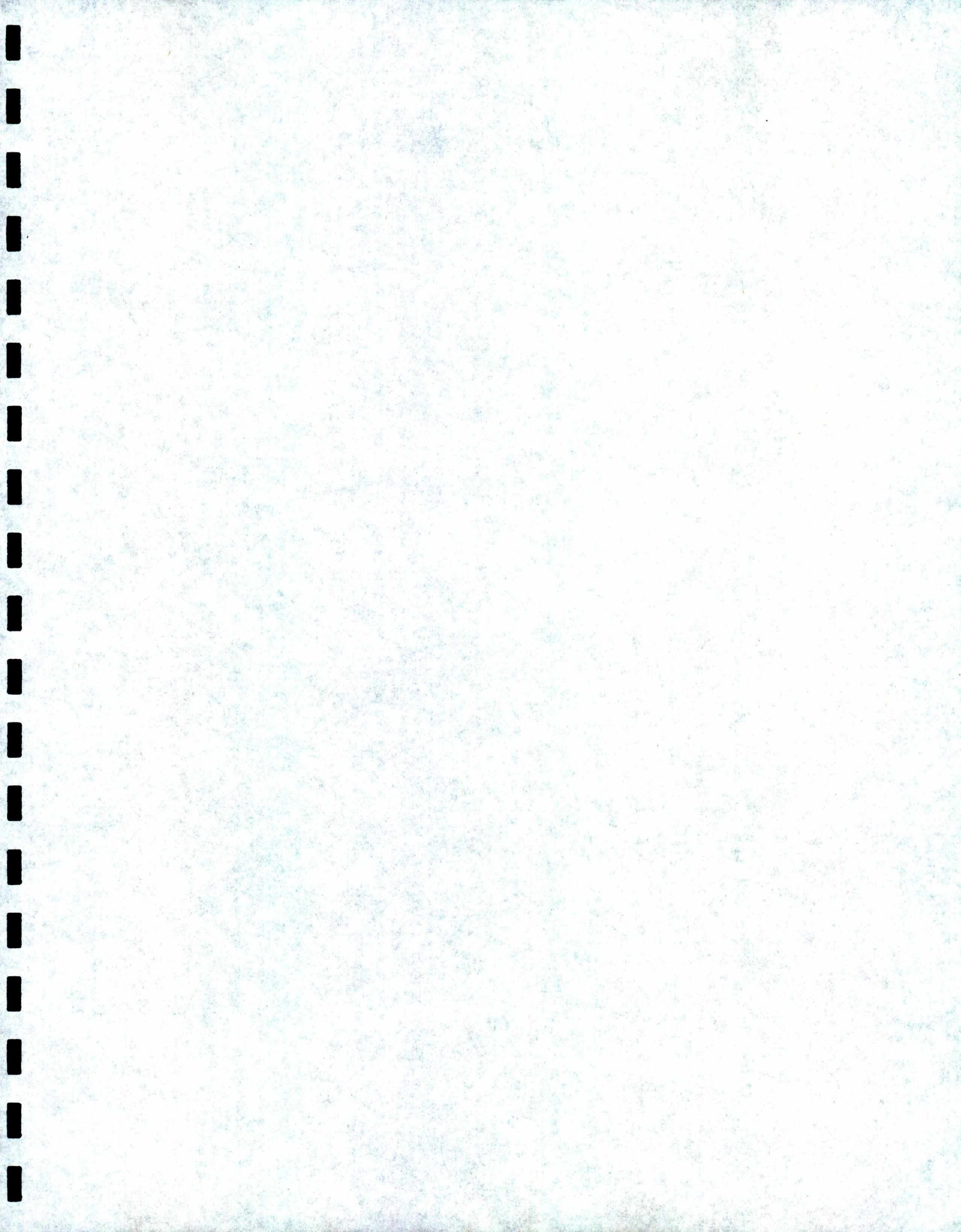


GUYANA SECURITIES COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007





Nizam Ali & Company

Chartered Accountants

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AUDITORS' REPORT TO THE COUNCIL MEMBERS GUYANA SECURITIES COUNCIL

We have audited the accompanying financial statements of Guyana Securities Council; which comprise the balance sheet as at December 31, 2007 and the statement of revenue and expenditure, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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, implementing and maintaining internal control relevant to the preparation and fair presentation of the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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.

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

Opinion

In our opinion, the financial statements presents fairly, in all material respects, the financial position of the Council as of December 31, 2007 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Companies Act 1991.

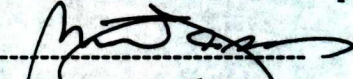
Nizam Ali & Company
Chartered Accountants
Georgetown, Guyana

March 27, 2008


Guyana Securities Council
Balance sheet
As at December 31, 2007
With comparatives for 2006
(Expressed in Guyana Dollar)

	Notes	2007 \$	2006 \$
Non - current assets			
Furniture, equipment and books	6	<u>3,277,725</u>	<u>3,679,633</u>
		<u>3,277,725</u>	<u>3,679,633</u>
Current assets			
Cash and bank	4	2,323,667	669,778
Receivable Government of Guyana (GOG)		-	12,668,000
Trade and other receivables	10	<u>132,824</u>	<u>105,800</u>
Total current assets		<u>2,456,491</u>	<u>13,443,578</u>
Total assets		<u>5,734,216</u>	<u>17,123,211</u>
Liabilities			
Deferred revenue	9	5,077,603	4,335,861
Payables	8	<u>656,613</u>	<u>12,787,350</u>
Total liabilities		<u>5,734,216</u>	<u>17,123,211</u>

The Members of Council approved these financial statements for issue on March 27, 2008



 Chairman



 Member



 Member

The notes on pages 5 to 9 form an integral part of these financial statements.

Guyana Securities Council
Statement of revenue and expenditure
for the year ended December 31, 2007
With comparatives for 2006
(Expressed in Guyana Dollar)

	Notes	2007 \$	2006 \$
Revenue			
Subvention	3	42,047,222	37,668,000
Transfer to deferred income		(741,742)	(2,265,735)
		<u>41,305,480</u>	<u>35,402,265</u>
Registration Fees		<u>1,495,000</u>	<u>503,285</u>
		<u>42,800,480</u>	<u>35,905,550</u>
Expenditure			
Council members' fees	5	5,940,000	3,960,000
Salaries	7	26,125,562	20,990,000
Professional fees		4,200,800	3,300,000
Communication		630,849	481,624
Stationery		84,314	88,382
Advertising & publication		202,675	72,800
Depreciation		622,825	609,938
Audit fees		350,000	350,000
Conference expenses		1,747,606	5,618,729
Miscellaneous		344,060	279,653
Staff training		2,532,365	135,000
Insurance		19,424	19,424
		<u>42,800,480</u>	<u>35,905,550</u>
Revenue over expenditure		<u>-</u>	<u>-</u>

The notes on pages 5 to 9 form an integral part of these financial statements

Guyana Securities Council
Cash flow statement
For the year ended December 31, 2007
With comparatives for 2006
(Expressed in Guyana Dollar)

	2007	2006
	₹	₹
Cash flow from operating activities		
Registration fees received	1,495,000	503,285
Expenditure	(42,800,480)	(35,905,550)
Adjustments for:		
Depreciation	622,825	609,938
Increase in receivables and prepayments	(27,024)	-
Decrease (increase) in amount receivable from GOG	12,668,000	(12,668,000)
(Decrease) increase in payables	<u>(12,130,737)</u>	<u>6,173,259</u>
Net cash outflows from operating activities	<u>(40,172,416)</u>	<u>(41,287,068)</u>
Cash flow from investing activities		
Purchase of furniture and equipment	<u>(220,917)</u>	<u>(217,440)</u>
Net cash outflow from investing activities	<u>(220,917)</u>	<u>(217,440)</u>
Cash flow from financing activities		
Subvention	<u>42,047,222</u>	<u>37,668,000</u>
Net cash inflow from financing activities	<u>42,047,222</u>	<u>37,668,000</u>
Net increase (decrease) in cash and cash equivalents	1,653,889	(3,836,508)
Cash and cash equivalents as at beginning of year	<u>669,778</u>	<u>4,506,286</u>
Cash and cash equivalents as at end of year	<u><u>2,323,667</u></u>	<u><u>669,778</u></u>

The notes on pages 5 to 9 form an integral part of these financial statements

Guyana Securities Council
Notes to financial statements
December 31, 2007
(Expressed in Guyana Dollar)

1. Entity identification and principal function

Guyana Securities Council (The 'Council') is a statutory body created by the Securities Industry Act 1998 and brought into existence by Ministerial Order No 5 of 2000 by the Minister of Finance with effect from December 16, 2000. The Council commenced activities on September 24, 2001.

The members in the Council serving in the period 1 January to 31 December , 2007 were:

Mr. B. James - Chairman
Mr. L. Glen. - Member
Mr. B. Pollard - Member
Ms. L. Gossai - Member

The principal functions of the Council are to:

- (a) advise the Minister of Finance on all matters relating to securities;
- (b) maintain surveillance over the securities market and ensure orderly, fair and equitable dealings in securities;
- (c) register, authorise or regulate, in accordance with the Securities Industry Act 1998, self regulatory organization, securities companies, securities intermediaries, brokers, dealer, traders, underwriters, issuers and investment advisers, and control and supervise their activities with a view to maintaining proper standards of conduct and professionalism in the securities business;
- (d) protect the integrity of the securities market against abuse arising from the practice of insider trading;
- (e) create and promote such conditions in the securities market as it may seem necessary, advisable or appropriate to ensure the orderly growth and development of the capital market.

2. Significant accounting policies

(a) Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Guyana.

(b) Subvention

Subvention that compensate the Council's costs are recognised in the statement of revenue and expenditure in the period that these costs are incurred.

Subvention relating to purchase of equipment is credited to the statement of revenue and expenditure on a straight line basis over the expected lives of the related assets.

(c) Registration fees

Registration fees are collected from reporting issuers upon submission of the registration statement to the Council as required under Sections 56 and 57 of the Securities Industry Act 1998. The registration fees are recognised in the statement of revenue and expenditure in the period that related registration statement are submitted to the Council.

(d) Foreign currency transactions

Foreign currency transactions are translated at the exchange rates prevailing at the dates of these transactions. At the balance sheet date, any monetary assets and liabilities denominated in foreign currencies are translated to Guyana Dollars at the prevailing rates at that date. Exchange differences on foreign currency transactions are recognised in the statement of revenue and expenditure.

(e) Expense recognition

Expenses are recognised on an accrual basis.

Guyana Securities Council
Notes to financial statements
December 31, 2007
(Expressed in Guyana Dollar)

2. Significant accounting policies continued

(f) Furniture, equipment and books

Furniture, equipment and books are stated at cost less accumulated depreciation. Depreciation is calculated on a straight line basis at rates estimated to write off the assets over their expected useful lives. The current annual rates of depreciation are:

Furniture	10%
Equipment	20%
Books	10%

(g) General funds

General funds are unrestricted funds which are available for use at the discretion of the Council in furtherance of the principal functions of the Council and which have not been designated for other purposes.

3. Grant funding and subvention

The Council received a funding commitment from the British Department for International Development for the period January 1, 2002 to November 30, 2003. The sums committed were 88,500 United States Dollars for the period January 1, 2002 to December 31, 2002 and 83,500 United States Dollars for the period January 1, 2003 to November 30, 2003 .

The Council received a subvention of \$42,047,222 (2006- \$37,668,000) Guyana Dollars from the Government of Guyana during the year to cover operating costs.

Unused funds are carried forward to future periods

4. Cash resources

	2007	2006
	\$	\$
Bank of Nova Scotia	682,848	522,459
Republic Bank Guyana Limited	<u>1,640,819</u>	<u>147,319</u>
	<u><u>2,323,667</u></u>	<u><u>669,778</u></u>

Guyana Securities Council
Notes to financial statements
December 31, 2007
(Expressed in Guyana Dollar)

5. Council members fees

	2007	2006
	\$	\$
B. James	2,160,000	1,440,000
B. Pollard	1,260,000	840,000
L. Gossai	1,260,000	840,000
L. Glen	1,260,000	840,000
	<u>5,940,000</u>	<u>3,960,000</u>

6. Furniture, equipment & books

	Furniture	Equipment	Books	Total
	\$	\$	\$	\$
Costs				
As at beginning of year	1,383,650	1,079,000	2,557,734	5,020,384
Additions	169,940	-	50,977	220,917
	<u>1,553,590</u>	<u>1,079,000</u>	<u>2,608,711</u>	<u>5,241,301</u>
Depreciation				
As at beginning of year	(407,925)	(677,053)	(255,773)	(1,340,751)
Charges for the year	(148,278)	(215,800)	(258,747)	(622,825)
	<u>(556,203)</u>	<u>(892,853)</u>	<u>(514,520)</u>	<u>(1,963,576)</u>
Net book value				
As at end of year	<u>997,387</u>	<u>186,147</u>	<u>2,094,191</u>	<u>3,277,725</u>
As at beginning of year	<u>975,725</u>	<u>401,947</u>	<u>2,301,961</u>	<u>3,679,633</u>

7. Key management compensation

	2007	2006
	\$	\$
Salaries and short term benefits	<u>26,125,562</u>	<u>20,990,000</u>

Guyana Securities Council
Notes to financial statements
December 31, 2007
(Expressed in Guyana Dollar)

8. Payables

	2007	2006
	₹	₹
Professional fees	620,150	1,090,000
Utilities	36,463	33,346
PAYE taxes	-	11,664,004
	<u>656,613</u>	<u>12,787,350</u>

9. Deferred revenue

	2007	2006
	₹	₹
Balance at beginning of year	4,335,861	2,070,126
Transfers from (to) Statement of Revenue and Expenditure	<u>741,742</u>	<u>2,265,735</u>
Balance at end of year	<u>5,077,603</u>	<u>4,335,861</u>

10. Trade and other receivables

	2007	2006
	₹	₹
Deposits	105,800	105,800
Overpayment of PAYE	<u>27,024</u>	<u>-</u>
	<u>132,824</u>	<u>105,800</u>

11. Pay As You Earn (PAYE) tax deduction

The activities of the Council was initially financed by a grant received from the British Department for International Development. Upon exhaustion of the grant which occurred on December 31, 2004, the Government of Guyana (GOG) continued to fund the activities of the Council through annual subventions. The management of the Council represented to us that based on a Memorandum of Understanding between the Government of the United Kingdom and Northern Ireland and the Government of Guyana, funds received under the grant were not to be used to settle any taxes. Consequently the Council did not deduct applicable income tax from remuneration paid to employees of the Council prior to January 1, 2005 for remittance to the Guyana Revenue Authority. As of January 1, 2005 the salary of each employee of the Council and Council members fees were grossed up for income tax purposes and the resulting income tax paid by GOG subvention. Consequent to grossing up, the net salary of each employee and Council member fees remained the equivalent to what it was prior to January 1, 2005.