

**PORT KAITUMA POWER  
AND  
LIGHT COMPANY INC.**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED**

**31 DECEMBER 2012**



**AUDITED FINANCIAL STATEMENTS OF THE  
PORT KAITUMA POWER AND LIGHT COMPANY INC.**

**FOR THE YEAR ENDED  
31 DECEMBER 2012**

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



## *Audit Office of Guyana*

*P.O. Box 1002, 63 High Street, Georgetown, Guyana*

*Tel: 592-225-7592, Fax: 592-226-1257, <http://www.audit.org.gy>*

AG: 142/2013

26 November 2013

**REPORT OF THE AUDITOR GENERAL**  
**TO THE MEMBERS OF THE BOARD**  
**ON THE FINANCIAL STATEMENTS**  
**OF THE PORT KAITUMA POWER AND LIGHT COMPANY INC.**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

I have audited the accompanying financial statements of Port Kaituma Power and Light Company Inc. (PKPLCI), which comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 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 about 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.

*Opinion*

In my opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Port Kaituma Power and Light Company Inc. as at 31 December 2012, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

*Report on Other Legal and Regulatory Requirements*

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

  
D. SHARMA  
AUDITOR GENERAL

OF GUYANA

AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

**PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED**  
**(WHOLLY OWNED SUBSIDIARY OF NICIL)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Notes	2012 G\$	2011 G\$
Revenue	3	130,571,520	17,235,000
Generation & Distribution Cost	4	<u>112,383,719</u>	<u>8,472,839</u>
Net Operating Revenues		18,187,801	8,762,161
Administrative Expenses	5	8,799,668	390,904
Depreciation		352,063	-
Profit Before Taxation		<u>9,036,070</u>	<u>8,371,257</u>
Taxation		(3,002,366)	-
Profit for the Year		<u><u>6,033,704</u></u>	<u><u>8,371,257</u></u>

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

**PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED**  
**(WHOLLY OWNED SUBSIDIARY OF NICIL)**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Share Capital G\$	Deposit On Shares G\$	Retained Earnings G\$	Total G\$
<b>Balance at December 31, 2010</b>	-	<b>63,900</b>	<b>(63,900)</b>	-
Net Profit for the year	-	-	8,371,257	8,371,257
<b>Balance at December 31, 2011</b>	-	<b>63,900</b>	<b>8,307,357</b>	<b>8,371,257</b>
Net Profit for the year	-	-	6,033,704	6,033,704
<b>Balance at December 31, 2012</b>	-	<b>63,900</b>	<b>14,341,061</b>	<b>14,404,961</b>

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



**PORI KAITUMA POWER & LIGHT COMPANY INCORPORATED**  
**(WHOLLY OWNED SUBSIDIARY OF NICIL)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2012**

<b>ASSETS</b>	<b>Notes</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
		<b>GS</b>	<b>GS</b>	<b>GS</b>
<b>Non - Current Assets</b>				
Tangible Non - Current Assets	6	2,845,125	-	-
<b>Total Non - Current Assets</b>		<b>2,845,125</b>	<b>-</b>	<b>-</b>
<b>Current Assets</b>				
Receivables	7	12,534,700	-	-
Due From Related Party	8	260,000	-	-
Cash on Hand & at Bank		8,133,566	8,371,257	-
<b>Total Current Assets</b>		<b>20,928,266</b>	<b>8,371,257</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>23,773,391</b>	<b>8,371,257</b>	<b>-</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital &amp; Reserves</b>				
Share Capital	9	-	-	-
Deposit on Shares	10	63,900	63,900	63,900
Retained Earnings		14,341,061	8,307,357	(63,900)
<b>Total Capital &amp; Reserves</b>		<b>14,404,961</b>	<b>8,371,257</b>	<b>-</b>
<b>Current Liabilities</b>				
Payables	11	934,503	-	-
Due to Related Party	12	5,431,561	-	-
Taxation	13	3,002,366	-	-
<b>Total Current Liabilities</b>		<b>9,368,430</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,773,391</b>	<b>8,371,257</b>	<b>-</b>

The Financial Statements were approved by the Board of Directors on the November 15, 2012

Mangant Sambal  
 Director

[Signature]  
 Director

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

**PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED**  
**(WHOLLY OWNED SUBSIDIARY OF NICIL)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012 GS	2011 GS
<b>Cash Flow from Operating Activities</b>		
<b>Profit for the Year Before Taxation</b>	9,036,070	8,371,257
Adjustments for:		
Depreciation	352,063	-
Increase in Receivables	(12,534,700)	-
Increase in Due From Related Companies	(260,000)	-
Increase in Due To Related Companies	5,431,561	-
Increase in Payables	934,503	-
<b>Cash Generated from Operating Activities</b>	<b>2,959,497</b>	<b>8,371,257</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Tangible Non - Current Asset	(3,197,188)	-
<b>Cash Used in Investing Activities</b>	<b>(3,197,188)</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(237,691)</b>	<b>8,371,257</b>
<b>Cash &amp; Cash Equivalents as at January 1</b>	<b>8,371,257</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents as at December 31</b>	<b>8,133,566</b>	<b>8,371,257</b>

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



**PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED**  
**(WHOLLY OWNED SUBSIDIARY OF NICIL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**1. Incorporation**

Port Kaituma Power & Light Company Incorporated (PKPLCI) was incorporated as a company under the Companies Act Chapter 89:01 on the November 29, 2010. The objectives of the company are the Generation, Transmission and Distribution of electricity within Port Kaituma and its surrounding communities.

The Company is a wholly owned subsidiary of the National Industrial & Commercial Investments Limited.

**2. Summary of significant of accounting policies**

**(a) Accounting convention**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and conform with International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Guyana.

**(b) Fixed assets**

Fixed assets are depreciated on the straight - line method over their estimated useful lives as follows:-

Buildings	2%
Furniture & Equipment	20%
Motor Vehicles	25%
Distribution Systems	7.5%

**(c) Foreign currency**

Foreign currency transactions completed during the year are translated to Guyana dollars at the Republic Bank (Guyana) Limited Cambio rates of exchange ruling at the dates of such transactions. At Balance sheet date all amounts denominated in foreign currencies are translated to Guyana dollars at the Republic Bank (Guyana) Limited Cambio exchange rates ruling at that date or at rates agreed by Bank of Guyana. Gains and losses resulting from such transactions are included in the profit and loss account for the year.

Gains and losses arising from the translation of foreign currencies are included in the profit and loss account for the year.

**PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**2. Summary of significant of accounting policies continued**

**(d) Revenue**

Revenue consists of the following:-

- (a) Sale of electricity to consumers
- (b) Subvention received from Government of Guyana.
- (c) Contract work for the set-up of electricity supply.

Income is recognised on an accrual basis unless collectability is doubtful.

**(e) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using primarily the weighted average cost basis. Inventories consists of fuel and oil held on hand.

**(f) Expenditure**

Expenditure are dealt with in these financial statements on the accrual basis.

**PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012</u>	<u>2011</u>
	<u>GS</u>	<u>GS</u>
<b>3. Revenue</b>		
Subvention from GOG	15,000,000	15,000,000
Receipts from the Supply of Electricity	115,571,520	2,235,000
<b>Total Revenue</b>	<b><u>130,571,520</u></b>	<b><u>17,235,000</u></b>
<b>4. Generation &amp; Distribution Cost</b>		
Fuel & Lubricants	102,757,900	6,000,000
R&M: Transmission & Distribution	4,297,660	639,408
R&M: Generators	4,719,759	1,006,431
Meters	84,500	-
Contractors	523,900	827,000
<b>Total Generation &amp; Distribution Cost</b>	<b><u>112,383,719</u></b>	<b><u>8,472,839</u></b>
<b>5. Administrative Expenses</b>		
Accommodation	94,000	-
Bank Charges	7,000	6,900
Meals & Entertainment	232,000	-
General & Office Expense	401,035	24,900
Equipment Rental	18,000	-
R&M: Equipment	18,000	-
R&M: Buildings	58,000	-
R&M: Motor Vehicles	16,000	-
Travelling	1,529,390	6,000
Uniforms	15,000	-
Employment Cost	6,252,193	320,644
Sundry Tools	7,000	-
Cleaning & Sanitation	152,050	32,460
<b>Total Administrative Expenses</b>	<b><u>8,799,668</u></b>	<b><u>390,904</u></b>



**PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**6. Tangible Non - Current Assets**

	Furniture & Equipment G\$	Motor Vehicles G\$	Distribution Systems G\$	Total G\$
<b>Cost</b>				
At January 1, 2012	-	-	-	-
Additions	58,188	600,000	2,539,000	3,197,188
At December 31, 2012	<b>58,188</b>	<b>600,000</b>	<b>2,539,000</b>	<b>3,197,188</b>
<b>Depreciation</b>				
At January 1, 2012	-	-	-	-
Charge for the Year	11,638	150,000	190,425	352,063
At December 31, 2012	<b>11,638</b>	<b>150,000</b>	<b>190,425</b>	<b>352,063</b>
<b>Net Book Value:</b>				
At December 31, 2011	-	-	-	-
At December 31, 2012	<b>46,550</b>	<b>450,000</b>	<b>2,348,575</b>	<b>2,845,125</b>

**PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012</u> GS	<u>2011</u> GS
<b>7. Receivables</b>		
Due From Customers	12,534,700	-
<b>Total Receivables</b>	<u><u>12,534,700</u></u>	<u><u>-</u></u>
<b>8. Due from Related Companies</b>		
Mathews Ridge Power & Light Company Inc	260,000	-
<b>Total Due from Related Companies</b>	<u><u>260,000</u></u>	<u><u>-</u></u>
<b>9. Share Capital</b>		
Authorised Share Capital: 5,000 Ordinary Shares at G\$100 each	<u><u>500,000</u></u>	<u><u>500,000</u></u>
<b>10. Deposit On Shares</b>		
Deposit on Shares	<u><u>63,900</u></u>	<u><u>63,900</u></u>
This amount represents a deposit made by NICIL for issued Share Capital of PKPLCI.		
<b>11. Payables</b>		
Trade Payables	934,503	-
<b>Total Payables</b>	<u><u>934,503</u></u>	<u><u>-</u></u>

**PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012</u> <u>GS</u>	<u>2011</u> <u>GS</u>
<b>12. Due To Related Companies</b>		
NICIL	5,431,561	-
<b>Total Due To Related Companies</b>	<u><u>5,431,561</u></u>	<u><u>-</u></u>
<b>13. Taxation</b>		
2011 (Corporation Tax)	59,477	-
2011 (Property Tax)	39,034	-
2012 (Corporation Tax)	2,799,337	-
2012 (Property Tax)	104,518	-
<b>Total Taxation</b>	<u><u>3,002,366</u></u>	<u><u>-</u></u>

Charges in relation to taxes for the year ended December 31, 2011 were not provided for during that period. However, a provision is made in the current year in respect to any liabilities that may arise from PKPLCI's activities during that period.

**14. Key Management Personnel**

The Company's key management personnel comprise its Directors, Chief Executive Officer and its Managers. The remuneration paid to key management personnel during the year was as follows:

Short - term benefits	<u><u>2,260,000</u></u>	<u><u>90,000</u></u>
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**15. Directors Fees**

No fees were paid to member of the Board of Directors in relation to services provided during the year ended December 31, 2012.