

**AUDITED FINANCIAL STATEMENTS OF THE  
GUYANA ENERGY AGENCY**

**FOR THE YEAR ENDED  
31 DECEMBER 2010**

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



## *Audit Office of Guyana*

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

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158/SL: 47/2/2013

24 May 2013

Dr. Mahender Sharma  
Chief Executive Officer  
Guyana Energy Agency  
295 Quamina Street  
South Cummingsburg  
Georgetown.

Dear Dr. Sharma,


AUDIT OF THE BOOKS AND ACCOUNTS OF THE  
GUYANA ENERGY AGENCY  
FOR THE YEAR ENDED 31 DECEMBER 2010

Please find attached three copies of the audited financial statements, together with the report of the Auditor General, thereon.

Should you need any further explanation, please do not hesitate to contact us.

With best regards.

Yours sincerely,

  
Dawn Pearson  
Audit Manager  
for Auditor General



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AG: 80/2013

24 May 2013

REPORT OF THE AUDITOR GENERAL  
TO THE MEMBERS OF THE BOARD OF DIRECTORS  
OF THE GUYANA ENERGY AGENCY  
ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010

I have audited the accompanying financial statements of Guyana Energy Agency which comprise the statement of financial position as at 31 December 2010, and 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 the Guyana Energy Agency as at 31 December 2010, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.




AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

**GUYANA ENERGY AGENCY**  
**STATEMENT OF FINANCIAL POSITION AS AT 31/12/2010**

2009		Notes	\$	\$	\$
47,990,792	<b>Fixed Assets</b>				47,792,938
	<b>Current asset</b>				
5,061,691	Debtors	11	5,078,124		
19,035,380	Cash at Bank/Hand	9	<u>474,879,772</u>		
<u>24,097,071</u>				479,957,896	
<u><b>72,087,863</b></u>	<b>Net current Assets</b>				<u><b>527,750,834</b></u>
<b>Represented by</b>					
30,544,158	Capital Contribution				32,058,738
- 522,923	Accumulated fund				453,381,047
<u>35,800,000</u>	Revaluation Reserve				<u>35,800,000</u>
<u><b>65,821,235</b></u>					<u><b>521,239,785</b></u>
<b>Current Liabilities</b>					
<u>6,266,628</u>	Creditors and Accruals	12	<u>6,511,049</u>		
				6,511,049	<u>6,511,049</u>
<u><b>72,087,863</b></u>					<u><b>527,750,834</b></u>

  
 \_\_\_\_\_  
 Chief Executive Officer

  
 \_\_\_\_\_  
 Head Finance Division



**GUYANA ENERGY AGENCY**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR DECEMBER 31, 2010**

Year 2009	Notes	\$
<b>Income</b>		
35,223,118	Other income 10	33,339,165
44,025,910	Government Subventio 1	44,026,000
5,082,555	GMS Receipts (Biocode Accruals)	4,863,411
14,398,373,231	Receipts from oil companies	16,028,057,050
<b><u>14,482,704,814</u></b>		<b><u>16,110,285,626</u></b>
<b>Expenses</b>		
47,851,351	Employment Cost 4	45,982,683
14,423,803,446	Office and Administrat 5	15,599,033,044
3,816,471	Repairs and Maintenanc 6	7,004,304
1,583,175	Fuel and lubricant 7	1,700,349
2,267,849	Depreciation 8	2,581,276
14,479,322,292		15,656,301,656
<b><u>3,382,522</u></b>		<b><u>453,983,970</u></b>

**Statement of Accumulated Fund**

(3,905,445)	Balance B/f 1/1/09	(522,923)
	Adjustment from Petty cash	(80,000)
3,382,522	Net Profit at 31/12/10	453,983,970
<b><u>(522,923)</u></b>		<b><u>453,381,047</u></b>

**GUYANA ENERGY AGENCY**  
**Statement of Changes in Equity**  
**For Year ending December 31 2009**

	Revaluation Reserves	Retained Earnings	Capital Subvention	Total
	G\$	G\$	G\$	G\$
Balance at January 1 2009	35,800,000	- 3,905,445	30,544,158	62,438,713
Capital Supplementary			-	-
Net Profit		3,382,522		3,382,522
Grants				-
<b>Balance as at December 31,2009</b>	<b>35,800,000</b>	<b>- 522,923</b>	<b>30,544,158</b>	<b>65,821,235</b>

**GUYANA ENERGY AGENCY**  
**Statement of Changes in Equity**  
**For Year ending December 31 2010**

	Revaluation Reserves	Retained Earnings	Capital Subvention	Total
	G\$	G\$	G\$	G\$
Balance at January 1 2010	35,800,000	- 522,923	30,544,158	65,821,235
Capital Supplementary			1,514,580	1,514,580
Adjustment to petty cash		- 80,000		- 80,000
Net Profit		453,983,970		453,983,970
Grants				-
<b>Balance as at December 31,2010</b>	<b>35,800,000</b>	<b>453,381,047</b>	<b>32,058,738</b>	<b>521,239,785</b>

**GUYANA ENERGY AGENCY**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31 2010

	Jan-Dec 2010	Jan-Dec 2009
<b>Operating Activities</b>		
<b>Net Loss for the year</b>	453,983,970	3,382,522
Adjustments for:		
Depreciation	2,581,276	2,267,849
Inventory		
Goods in Transit		
VAT Receivables		
Account Receivables	-	1,647,097
Other Receivables		
Deposit		
Accounts Payable/ Accruals	244,421	257,890
VAT Payables		
Payroll Deductions Payable	719,966	581,514
Other Accounts Payable		
Disposal of Asset		
<b>Total Adjustment</b>	2,809,263	1,460,156
<b>Cash General from Operation</b>	456,793,233	4,842,678
<b>Investing Activities</b>		
<b>Purchase of fixed assets:</b>		
Buildings		
Furniture and fittings	-	57,920
Office Equipment	1,401,932	-
Motor Vehicles		
Other Equipment	-	325,109
Work-in-Progress		
<b>Net cash used in investing activities</b>	-	776,435
<b>Financing Activities</b>		
Changes in:		
Capital Subvention	1,514,580	-
Revaluation Reserves		-
	1,514,580	
<b>Net Cash used in financing activities</b>		
<b>Net increase/ (decrease) in cash equivalents</b>	455,844,392	4,066,243
Cash and cash equivalent at the		
Beginning of the period	19,035,380	14,969,137
Cash and Cash Equivalents at the		
End of the period	474,879,772	19,035,380



## NOTES TO THE FINANCIAL STATEMENT 2010

The Guyana Energy Agency is the successor of the Guyana National Energy Authority effective June 01, 1998. The mandate and functions of the Agency remain the same as that of the Guyana National Energy Authority.

The Guyana Energy Agency (GEA) is governed by the following legislation: Guyana Energy Agency Act 1997, Energy Sector (Harmonisation of Laws) Act 2002, Guyana Energy Agency (Amendment) Act 2004, Guyana Energy Agency (Amendment) Act 2005 and the Petroleum and Petroleum Products Regulations 2004.

The general mandate of the Agency is embodied in its Mission Statement:

*“To ensure the rational and efficient use of imported petroleum-based energy sources, while encouraging where economically feasible and environmentally acceptable, increased utilization of indigenous new and renewable sources of energy.”*

The Guyana Energy Organization structure comprises of a Board of Directors, Chief Executive Officer, Deputy Chief Executive Officer, Secretariat and five (5) Divisions: Finance Division, Energy & Energy Statistics Division, Fuel Marking Division, Legal & Licensing Division and Administration & Human Resource Division.

### **ACCOUNTING POLICIES**

(A) Accounts have been prepared on an accrual basis and under the historical cost convention.

#### **(B) FIXED ASSETS**

Fixed assets are recorded at cost. Depreciation is provided on a straight line basis over a period of (1) year to (5) years. Rates used are in accordance with the regulations of the Income Tax Act.

**Current Release**

These represent Government releases through the Office of the President and Ministry of Finance.

Note 4

<b>Employment Cost</b>		<b>\$</b>
	House allowance	225,736
2,119,841	Vacation Allowance	2,235,681
27,631,298	Wages and Salaries	26,362,457
4,207,473	Meal Allowance	4,600,607
1,460,312	Pension	1,232,194
1,587,700	NIS	1,327,045
990,644	Hand in hand	1,029,075
3,927,185	Travel allowance	3,675,000
25,750	out of pocket allowance	-
1,321,086	Gross Overtime	1,358,888
165,000	stipend	190,000
-	Gratuity	-
209,500	Honorarium	160,000
960,000	Entertainment Allowance	910,000
2,057,000	Duty Allowance	1,706,000
75,772	Acting allowance	-
960,000	Utility Allowance	910,000
92,790	GTM Administrative Fee	-
60,000	Risk allowance	60,000
<u>47,851,351</u>		<u>45,982,683</u>

Note 5

<b>Office &amp; Administration Cost</b>		<b>\$</b>
695,129	Staff Welfare	1,116,579
1,529,781	Local Travel	1,444,384
4,000	Overseas Travel	-
210,940	Cleaning and Janitorial Supplies	284,613
1,622,814	Stationery and Office Supplies	3,025,954
3,392,857	Communication Expense	2,532,141
2,473,545	Electricity Expense	2,765,128
78,494	Site Visit/Inspection	-
28,892	Periodicals News papers and Books	71,940
1,586,400	Security Expense	2,073,600
73,266	Cleaning and Sanitation	145,012
37,550	Bank Charges	77,354
20,481	Miscellaneous Expense	23,879
12,510	Vehicle Insurance	11,430
1,176,488	Training	1,209,578
20,832	National Event	-
	Entertainment	-
94,320	Subscriptions and Dues	1,685,326
-	Consultancy	87,764
	Transfer of funds	-
534,388	Advertisement	1,087,123
99,586	Conference and Seminars	70,575
11,000	Donations	1,000
167,948	Protective clothing	-
10,577	Drugs and medical Supplies	7,181
	Other fees and Licence	-
175,197	Postage and revenue Stamps	50,380
36,000	Jobs, works & task	826,920
128,896	Computer supplies	-
-	Energy Farm	-

518,649	Sub. Boarding & lodging	232,910
73,868	Pest Control	31,997
-	Water Rates	225,000
	Audit & professional fees	-
	Purch ac charcoal	-
1,480	draperies	-
-	Lab supplies	-
2,853	Loose tools	-
	Medical expense	-
471,267	Advance to purchase	2,215,555
573,535	Energy conservation	2,877,813
2,722,215	Print and Non print Materials	1,805,188
4,863,411	GEA Biocode (Accruals)	5,528,040
211,976	VAT	21,496
7,845,181,683	PDVSA	7,795,447,267
6,234,056,027	Ministry of Finance	7,696,395,772
80,785,623	BOG Loan A/c	75,588,415
	Loss on purchase of vehicle	-
	Loss on foreign currency	-
238,317,790	Guyoil	-
1,539,045	PLATTS Subscription	-
46,842	OLADE exp	-
	Protective clothing	65,730
<b>14,423,588,155</b>		<b>15,599,033,044</b>

**Note 6**

Year 2009

**Repairs and Maintenance**

		\$
2,628,754	Building	5,452,477
550,179	Office Equipment	1,054,635
477,581	Vehicle	406,534
111,605	Compound	62,090
26,898	Furniture and Fixture	28,568
<b>3,795,017</b>		<b>7,004,304</b>

**Note 7**

<b>1,464,726</b>	Fuel and lubricant	<b>1,700,349</b>
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**Note 8**

**Fixed Assets Schedule**

		Land	Building	Motor Vehicle	Office Equipment	Furniture and Fixtures	Other Equipment	Total
		\$	\$	\$	\$	\$	\$	
65,907,278	Balance b/f 1-1-2009	2,000,000	50,869,600	5,694,149	4,631,782	294,780	1,277,252	64,767,563
-	1,916,150				- 284,525		- 40,665	- 325,190
776,435	Additions for year				1,401,932	104,940	876,549	2,383,421
	Disposals/ transferred							-
<b>64,767,563</b>	Cost at 31/12/09	<b>2,000,000</b>	<b>50,869,600</b>	<b>5,694,149</b>	<b>5,749,189</b>	<b>399,720</b>	<b>2,113,136</b>	<b>66,825,794</b>
	Depreciation							
16,425,072	b/f 2009		8,193,920	4,858,490	3,137,777	61,112	525,472	16,776,771
-	1,916,150				- 284,525		- 40,665	- 325,190
2,267,849	Depreciation 31/12/09		687,392	492,830	1,149,768	39,972	211,314	2,581,276
								-
<b>16,776,771</b>	Total Depreciation		<b>8,881,312</b>	<b>5,351,320</b>	<b>4,003,020</b>	<b>101,084</b>	<b>696,121</b>	<b>19,032,856</b>
<b>47,990,792</b>	Net Book Value	<b>2,000,000</b>	<b>41,988,288</b>	<b>342,829</b>	<b>1,746,169</b>	<b>298,636</b>	<b>1,417,015</b>	<b>47,792,938</b>

The GEA included in its Fixed asset Register two Motor Vehicles namely PJJ 3066 and PJJ 3049, these vehicles were fully depreciated in December 2008. However, the said vehicles are still in use by the Agency and as such that was the reason for including it in the Asset Register. The request for a revaluation was done in 2012 and a copy of the letter is attached, when the revaluation is done the amounts will be included in the FS.

**Note 9****Cash at Bank/ Hand**

\$

80,000	Petty Cash	-
13,213,770	Charcoal A/c	472,753,460
3,386,511	General A/c	857,808
2,353,498	Special A/c	1,266,903
1,601	GEA Foreign ac	1,601
	GEA Premium ac	
<u>19,035,380</u>		<u>474,879,772</u>

**Note 10****Other Income**

13,065,868	Agency Fees	13,140,415
-	Disposal of Assets	-
-	GTM Employers refund	-
20,367,000	Fuel licensing	19,067,000
	Licensing fees/fines	-
1,708,500	Licensing decals	1,119,000
1,750	Loan Interest	2,750
80,000	Miscellaneous income	10,000
-	sale of fuel	-
<u>35,223,118</u>		<u>33,339,165</u>

**Note 11****Debtors**

325,631	staff loan	292,631
1,409,859	Salary Advance	719,513
218,948	Staff Debtors	180,283
205,125	Sundry Debtors	208,535
(4,500)	GPSCU	(4,500)
5,639	GRA	37,273
460	GPSU	460
	CCWU	7,000
2,900,529	Accounts Receivable	3,636,929
<u>5,061,691</u>		<u>5,078,124</u>

**Note 12**

\$

**Creditors and Accruals**

6,129,732	Accruals	6,396,794
15,939	GNRA-Hand in Hand	15,939
9,960	NIS	9,960
27	Salaries and allowances	28
39	GTM Insurance	39
34,225	Hand in hand	11,583
259	GTM	259
76,447	Sundry creditor	76,447
<u>6,266,628</u>		<u>6,511,049</u>