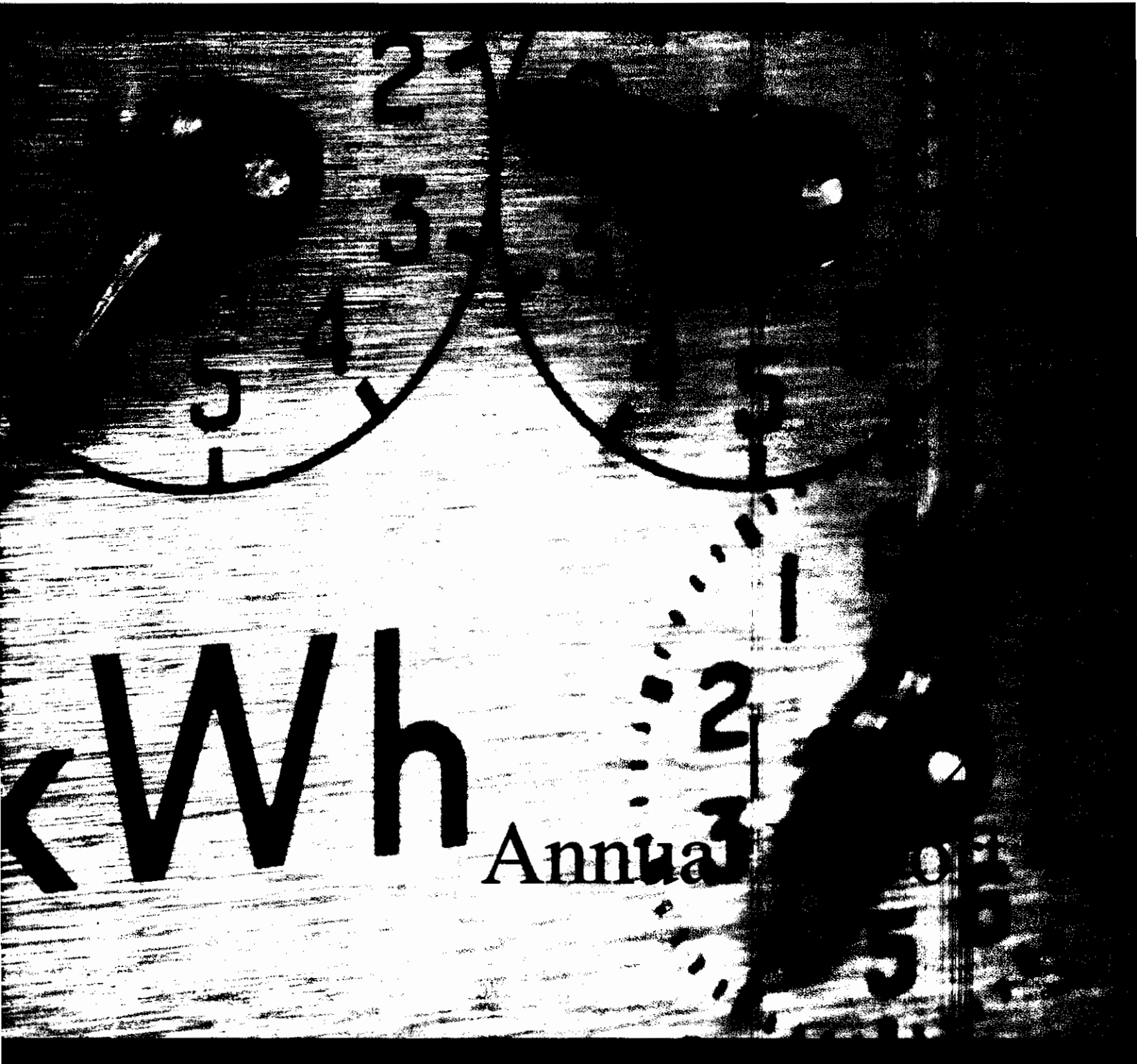


# LINDEN ELECTRICITY COMPANY INC.



**KWh**

Annual

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## NOTICE OF MEETING

NOTICE is hereby given that the tenth (10th) Annual General Meeting of the Linden Electricity Company Inc. will be held on Wednesday January 7th, 2015 at 14:15 hrs in the Boardroom of National Industrial and Commercial Investments Limited (NICIL), 126 Barrack Street, Kingston, Georgetown, Guyana for the following purposes:

1. To receive and consider the Financial Statements for the year ended December 31<sup>st</sup>, 2012 and the Reports of the Directors and Auditors thereon.
2. To discuss current progress of the company.
3. To consider any other Business that may be conducted at an Annual General Meeting.

Only shareholders or their duly appointed proxies may attend, please bring this notice to gain entry to the meeting. Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. The instrument appointing a proxy must bear a \$10 revenue stamp and be deposited at the registered Office of the Company no less than fourteen (14) days before the time for holding the meeting. A proxy form is attached for use if desired. Any corporation, which is member of the Company, may, by resolution of its directors or other governing body, authorize such person as it thinks fit to act as its representative at the meeting.

By Order of the Board



Shavon Sydney  
Company Secretary

Registered Office  
Linden Mining Enterprise Ltd  
Mackenzie, Linden  
Region 10

## CORPORATE INFORMATION

**REGISTERED OFFICE:** Linden Mining Enterprise Limited,  
Mackenzie, Linden  
Region No. 10  
Guyana

**AUDITORS:** Audit Office of Guyana  
63 High Street  
Kingston  
Georgetown  
Guyana

**BANKERS:** Republic Bank (Guyana) Limited  
110-111 Republic Avenue  
Mackenzie  
Linden  
Guyana

## BOARD OF DIRECTORS

Carvil Duncan	Chairman
Bharat Dindyal	Director
Elwyn Marshal	Director
Horace James	Director
Andrew Forsythe	Director

## MISSION STATEMENT

Committed to providing electricity to Domestic, Commercial and Industrial Consumers in a safe, continuous, efficient and cost effective manner and will involve every employee in the continuous improvements of its business.

## CHAIRMAN'S REPORT

This is the tenth Annual Report of Linden Electricity Company Incorporated covering the period from January 1<sup>st</sup>, 2012 to December 31<sup>st</sup>, 2012. During 2012 LECI continued to fulfil its mandate to the community by, providing a stable and continuous supply of power to its customers.

LECI, Licence to generate, distribute and supply electricity for public purposes was issued on 15<sup>th</sup> February 2006 with effective date of June 1<sup>st</sup>, 2005 and will be valid until December 31<sup>st</sup>, 2021. The area of supply covered in the licence in the Linden, Mackenzie, Demerara geographical area and does not include the Wismar Christiansburg area which is directly supplied by the Linden Utility Service Co-operative Society.

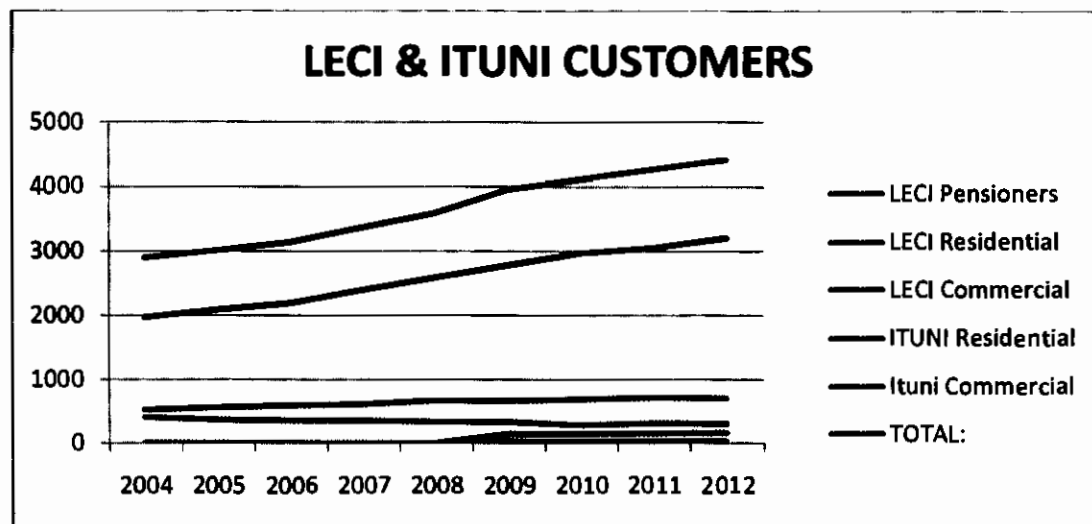
In June 2006, Ituni was included for LECI to generate, distribute and supply electricity to residents and businesses in that area and from October 2009 LECI began to distribute electrical power 24 hours daily to residents and businesses.

### Customers

LECI Customer base increased from 2,890 in 2004 to 4,412 in 2012. This is an increase of 1,522.

ITUNI Customer base increased from 174 in 2009 to 193 in 2012. This is an increase of 19 customers since 24hr generation started in 2009.

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>LECI Pensioners</b>	406	365	359	356	338	335	289	314	310
<b>LECI Residential</b>	1,966	2,085	2,187	2,394	2,588	2,782	2,966	3,048	3,207
<b>LECI Commercial</b>	518	556	590	612	665	666	683	709	702
<b>ITUNI Residential</b>	-	-	-	-	-	149	146	154	163
<b>Ituni Commercial</b>	-	-	-	-	-	25	28	30	30
<b>TOTAL</b>	<b>2,890</b>	<b>2,906</b>	<b>3,046</b>	<b>3,362</b>	<b>3,691</b>	<b>3,857</b>	<b>4,110</b>	<b>4,255</b>	<b>4,412</b>



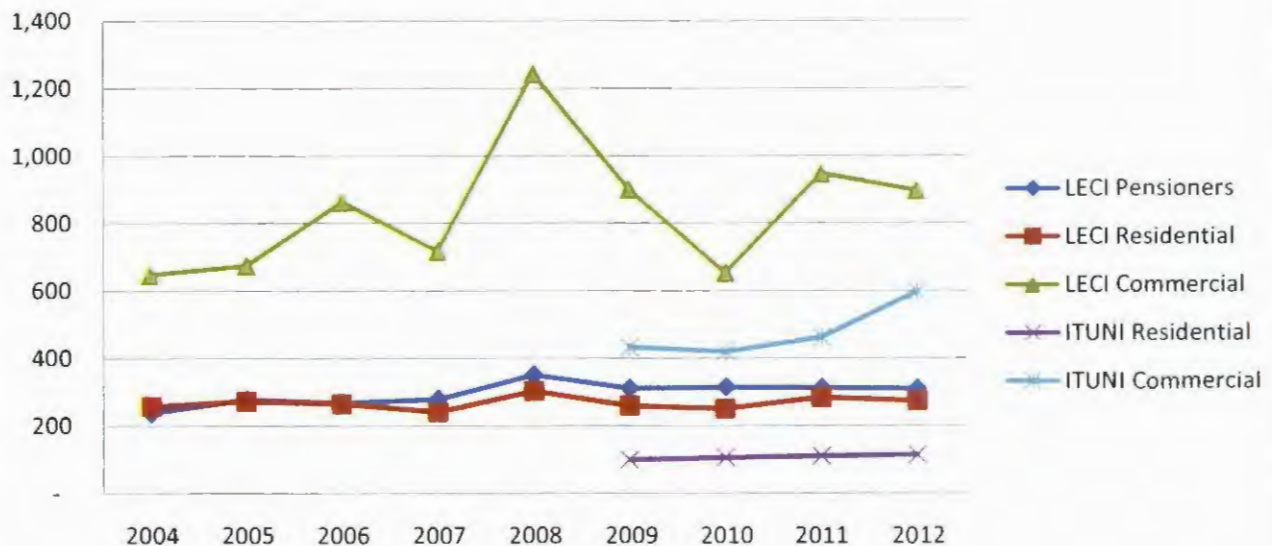
**LUSCSL Customers 2012**

	2009	2010	2011	2012
<b>Residential</b>	3,619	3,920	4,076	4,164
<b>Commercial</b>	486	526	548	498
<b>Pensioners</b>	463	431	408	352
<b>Total</b>	<b>4,568</b>	<b>4,877</b>	<b>5,032</b>	<b>5,014</b>

**Consumption**

Monthly Consumption: -kWh/mth

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>LECI Pensioners</b>	237	278	267	279	351	311	314	312	310
<b>LECI Residential</b>	258	273	265	241	303	260	250	284	274
<b>LECI Commercial</b>	647	674	863	717	1,243	901	653	947	897
<b>ITUNI Residential</b>	-	-	-	-	-	100	106	110	114
<b>ITUNI Commercial</b>	-	-	-	-	-	432	419	462	597

**MONTHLY CONSUMPTION KWH/MTH****Meters**

The number of unmetered customers reduced by 95% from 182 in 2011 to 10 in 2012. The emphasis in 2012 was to meter all customers with an estimated consumption over 300Kwh/mth.

All Ituni customers had been metered since the implementation of 24hr power of October 2009.

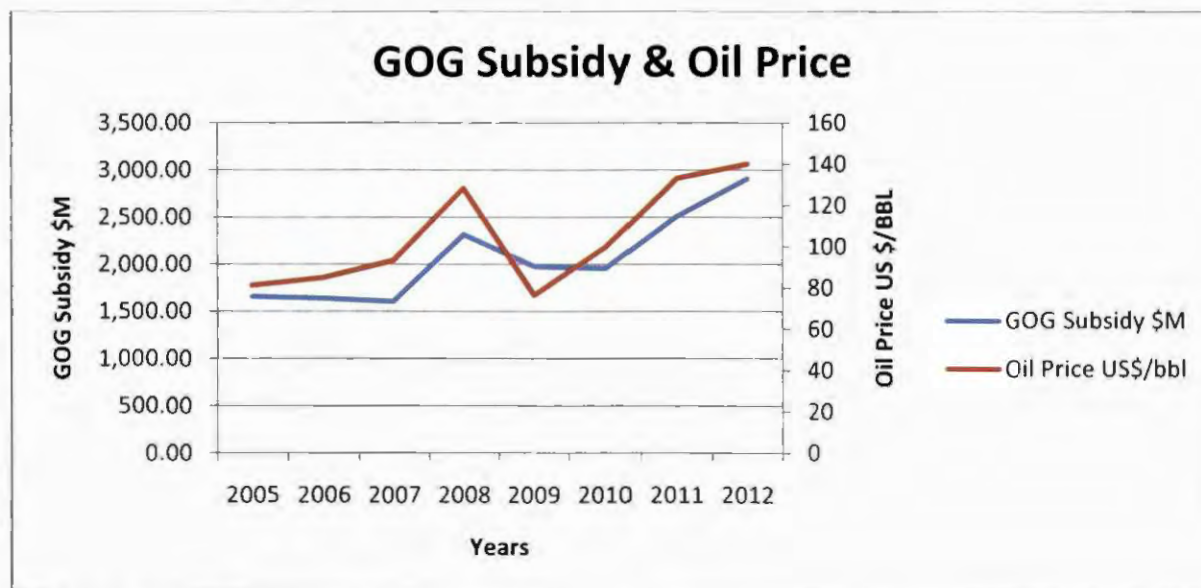


### Government Subsidy

Government subsidy for the generation cost was \$2.903M in 2012, an increase of \$395M over the previous year; this was due to the increase in fuel prices.

Graph below will show the relationship between GOG subsidy and oil prices.

	2005	2006	2007	2008	2009	2010	2011	2012
<b>GOG Subsidy \$M</b>	1,658.6	1,639.2	1,607	2,311	1,970	1,955	2,508	2,903
<b>Oil Price US\$/bbl</b>	81.2	84.9	93.2	128.3	76.4	99.6	133	140



### Report on 2012 Fire

On the morning of August 10th, 2012, LECI's office building was destroyed by fire and the company suffered losses estimated at \$110M (one hundred and ten million dollars).

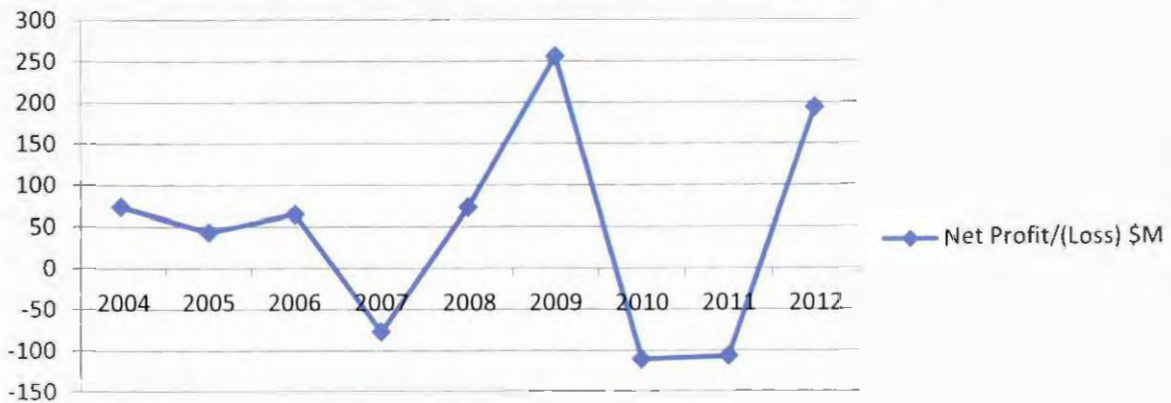
### Profit/Loss

Net profit for the year was \$193.6 an increase of 155% from 2011.

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Net Profit/(Loss) \$M</b>	73.1	43.1	64.4	(77.3)	72.4	255.9	(111)	(107)	193.6



## Net Profit/(Loss) G\$M 2004-2012



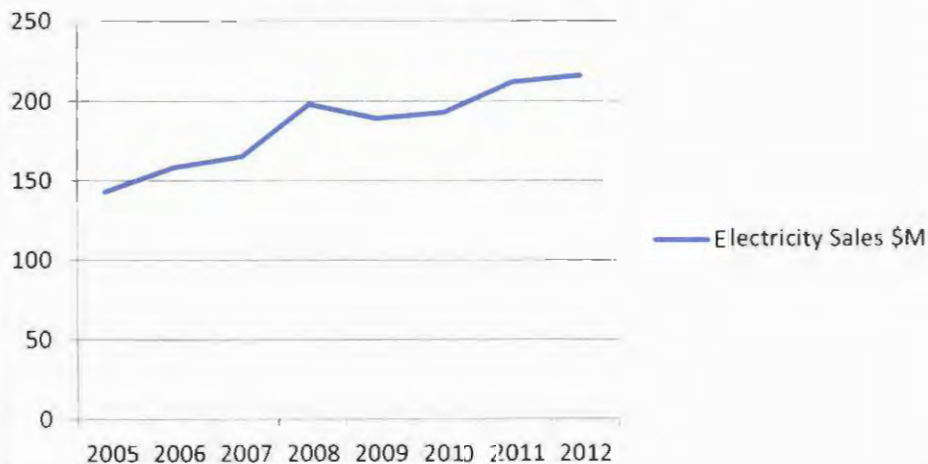
Taking into consideration Government's subsidy of G\$2.9B, LECI was able to report a profit of G\$193.6M.

### Electricity Sales

Electricity sales show an increase from \$212M in 2011 to \$216M in 2012, an increase of 1.85%.

	2005	2006	2007	2008	2009	2010	2011	2012
<b>Electricity Sales \$M</b>	143	158	165	198	189	193	212	216

## Electricity Sales \$M



**Financial****Accounts Receivables**


Accounts Receivable in 2012 was \$121M a decrease of 8% from 2011.

**Non Current Liabilities**

The Non-Current Liabilities of \$151.3M and \$370.3M due to Ministry of Finance and Linmine respectively were not addressed; however, no further liabilities are expected to accumulate to the GOG as all subventions received effective 2003 are treated as grants and not a loan.

LECI is cognizant of our technical loss and will continue to work with our Shareholders and the Government to obtain the needed financing to implement capital projects.

Finally I take this opportunity to thank the Government, our Shareholder, Members of the Board of Directors, Management, Staff and our Customers for their contributions during 2012 and solicit their continued contribution and guidance in 2013.

**CHAIRMAN OF THE BOARD**

Carvil Duncan  
Chairman

## DIRECTORS' REPORT

The Directors of the Linden Electricity Company Inc. take pleasure in submitting LECI Annual Report and Audited Financial Statements for the year ended 31 December 2012.

### PRINCIPAL ACTIVITIES

Linden Electricity Company Inc. was incorporated under the Companies Act 1991 of Guyana on 11 August 2003, Company No. 5007 with the name Linmine Electricity Company Inc. (The name of the Company was changed from Linmine Electricity Company Inc. to Linden Electricity Company Inc on 28 April 2005).

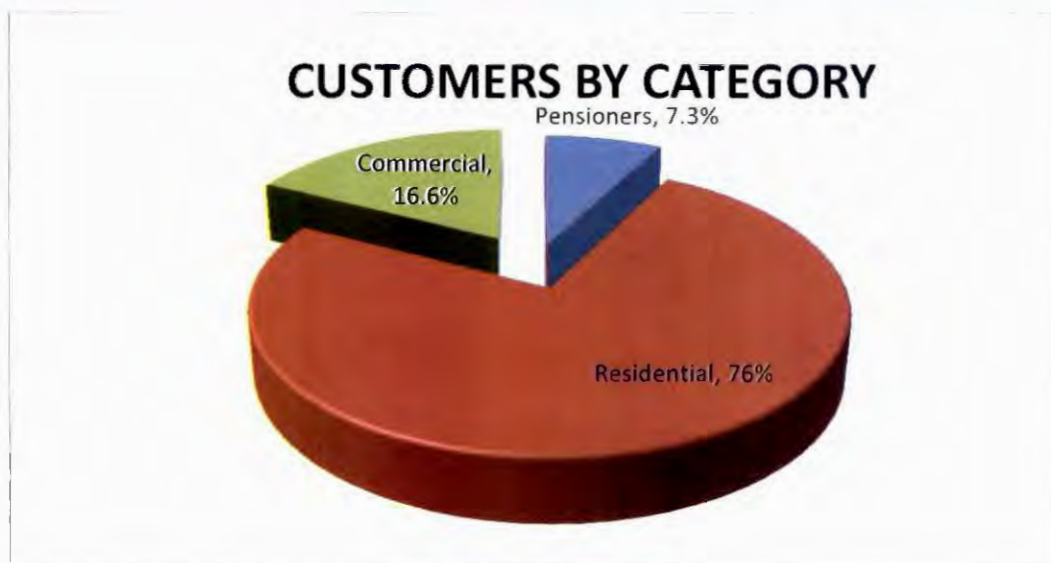
The principal activities of the Company are:

- a) Purchase of Electricity required for the Linden Community.
- b) Distribute and sell electricity on the East Bank of Linden.
- c) Retail electricity in bulk to Linden Utility Services Co-operative Society (LUSCSL) for distribution and supply to residents on the West Bank of Linden (Wismar/Christianburg).

Numbers of customers excluding Ituni on 31 December 2012 was 4,219, an increase of 148 over 2011 levels.

Categories of customers were as follows:

Category	No. of Customers 2012	No. of Customers 2011	Difference	% Difference
Pensioners	310	314	-4	-1.3%
Residential	3,207	3,048	159	5.0%
Commercial	702	709	-7	-1.0%
<b>Total</b>	<b>4,219</b>	<b>4,071</b>	<b>148</b>	<b>3.5%</b>



**L.E.C.I 2012 HIGHLIGHTS:**

1. Replaced fifty-three (53) primary poles, twenty-four (24) secondary poles, twenty-eight (28) defective cross - arms and changed three (3) cross - arms from wood to steel, a damaged 225 KVA transformers with three (3) 50 KVA transformers at Linden Technical Institute, 12 volts DC at the substation for control system, a blown 2,500 KVA transformer feeding 2,300 volts circuit at the village and repaired damaged HV cable for the capacitor bank at the substation.
2. Installed and commissioned automatic engine control unit on the #2 generator set at Ituni, eight (8) new cross - arms, new safety engines at the substation and transformer banks in the network, and earth improvement on the Amelia's Ward Feeder and installed sixteen (16) spans of earth wires and a earth dropper.
3. Complete upgrade work from 2,300 volts to 13,800 volts at Dakama Circle and Redwood Crescent, also upgrade 2,300 volts Disconnects at Greenheart Street, due to increase load and upgraded primary lines at Noitgedart.
4. Plumbed fourteen (14) poles, removed twenty-two poles, relocated 15 KV Re-closer from South Amelia's Ward at the substation, also relocated power supply for the newly positioned toll both at the Mackenzie-Wismar bridge.
5. Serviced fifty-two (52) transformers in the network, transported and erected eleven (11) secondary and four (4) primary poles for Ituni PM work and also transported generator set from Georgetown to Ituni and connected same.
6. Commercial Jobs – forty-nine (49) new temporary connections, eighty-eight (88) new regular connections, fifty-four (54) meters changed, fifty-nine (59) meter relocations, fifty-two (52) meters checked, forty-three (43) meters installed and three hundred fifty-four (354) disconnections and four hundred thirty-four (434) reconnections.

**Report on 2012 shutdown and relocation**

The residents of Linden including the business community held a shutdown in order to protest the increase in electrical tariff that was to take effect from July 1<sup>st</sup>, 2012. This shutdown started on the 18<sup>th</sup> July with stores and business being closed, the public transportation also came to a halt and most of the town's resident assembled on the Mackenzie/Wismar Bridge. Arriving residents of Linden and protesters began to accumulate in the compound of the LINMINE Secretariat after the bridge was heavily populated.

On July 18<sup>th</sup>, 2012 during the night, the LINMINE Secretariat main building was destroyed by fire, the fire department was unable to reach in time to save it since the access road was blocked with debris. Personnel from LECI however had to disconnect the power during the fire to prevent shutdown on the Richmond Hill feeder. The protest continued with the closure of all businesses and transportation services in the community, also all the main access roads were blocked by debris (large stones, branches, poles, old vehicles parts, etc.). The senior staff of LECI and Secretariat continued to meet and work at the Watooka Guest House when necessary.



On the morning of August 10<sup>th</sup>, 2012, four (4) other buildings were destroyed by fire in the LINMINE compound including LECI building. The following week a meeting was held with the senior staff at the Watooka Guest House and it was decided that the old Aluminum Plant would be the refurbished to accommodate all LECI and Secretariat staff.

Items were purchased and contractors were brought in to begin work and by mid-September employees began to occupy their offices and commercial operations restarted. Employees assisted in cleaning and construction of the new offices and all operations were in full effect by October 1<sup>st</sup>, 2012.

#### Estimated property loss in 2012 fire

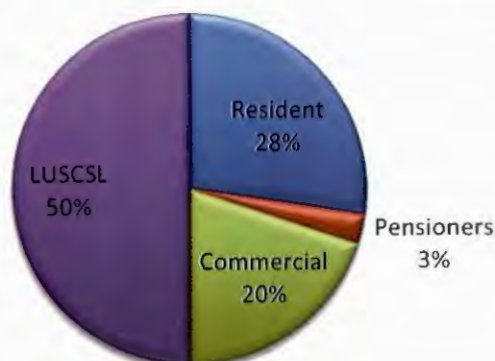
<b>Estimated Properties</b>	<b>Estimated Cost \$</b>
LECI:- Building	25,000,000
Office Equipment	5,000,000
Stores	25,000,000
Truck Model M	3,000,000
Tractor	3,000,000
Truck	3,000,000
Used transformers	32,000,000
Linemen working tools	2,000,000
Electrical measuring instrument	12,000,000
<b>TOTAL LOSS</b>	<b>110,000,000</b>

#### Energy Consumption

44,806 MWh were purchased for LECI and the amount sold was as follows:

<b>Category</b>	<b>Consumption 2012 (MWh)</b>	<b>Consumption 2011 (MWh)</b>	<b>Difference</b>	<b>% Diff.</b>
Resident	11,105	10,284	821	7.98%
Pensioners	1,099	1,155	(55)	(4.85%)
Commercial	8,077	7,986	91	1.14%
LUSCSL	19,958	20,441	(482)	(2.36%)
SUB-TOTAL	40,239	39,866	373	0.94%
<b>LOSSES</b>	<b>4,567 or 10.11%</b>	<b>6,607 or 14.2%</b>	<b>(2,040)</b>	<b>(30.81%)</b>

## CUSTOMER CONSUMPTION 2012



The average monthly consumption decreased from 3,873 MWh in 2011 to 3,734 in 2012.

The average peak demand (KVA) also decreased from 7,608 KVA in 2011 to 7,323 in 2012.

### Losses

FEEDER	ENERGY PURCHASED (KWh) 2012	ENERGY BILLED (KWh)	LOSSES (KWh)	% LOSSES
Residential	6,284,808	4,160,724	2,124,084	33.80%
Village	4,043,564	3,582,655	460,909	11.40%
Mines	1,179,492	822,407	357,085	30.27%
Richmond Hill	4,329,652	2,997,359	1,332,293	30.77%
Amelias Ward	8,718,438	8,719,056	(618)	(0.01%)
Wismar	20,249,539	19,958,400	291,139	1.44%
<b>SUB-TOTAL</b>	<b>44,805,493</b>	<b>40,240,401</b>	<b>4,564,892</b>	<b>10.19%</b>

**ENERGY PURCHASED** – Energy purchased from BOSAI.

**ENERGY BILLED** – Energy recorded by LECl meter readers.

LOSSES BREAKDOWN 2012 (KWh)					
FEEDER	TOTAL LOSSES	TRANSFORMER LOSSES	HV AND LV LINE LOSSES	STREET LIGHTS	ESTIMATED NON-TECHNICAL LOSSES
Residential	2,124,084	135,250	89,147	316,498	1,583,189
Village	460,909	69,021	50,783	2,106	338,999
Mines	357,085	67,844	14,403	165,842	108,996
Richmond Hill	1,332,293	113,908	52,454	424,144	741,787
Amelias Ward	(618)	175,015	102,893	426,573	(705,100)
Wismar	291,139				291,139
<b>SUB-TOTAL</b>	<b>4,564,892</b>	<b>561,038</b>	<b>309,681</b>	<b>1,335,163</b>	<b>2,359,010</b>



LOSSES BREAKDOWN 2012 (%)					
FEEDER	TOTAL LOSSES	TRANSFORMER LOSSES	HV AND LV LINE LOSSES	STREET LIGHTS	ESTIMATED NON-TECHNICAL LOSSES
Residential	100%	6%	4%	15%	75%
Village	100%	15%	11%	0%	74%
Mines	100%	19%	4%	46%	31%
Richmond Hill	100%	9%	4%	32%	56%
Amelias Ward	100%	(28,320%)	(16,649%)	(69,025%)	114,094%
Wismar	-	-	-	-	-
<b>SUB-TOTAL</b>	<b>100%</b>	<b>12.3%</b>	<b>6.8%</b>	<b>29.25%</b>	<b>57.71%</b>

### Power outage 2012

The tables below shows the power outage pattern from 2009 to 2012. The summary table "Total Outages" shows that the amount of transmission outages were increased by 87% and the amount of generation outages increased by 95% also from 2009 to 2012.

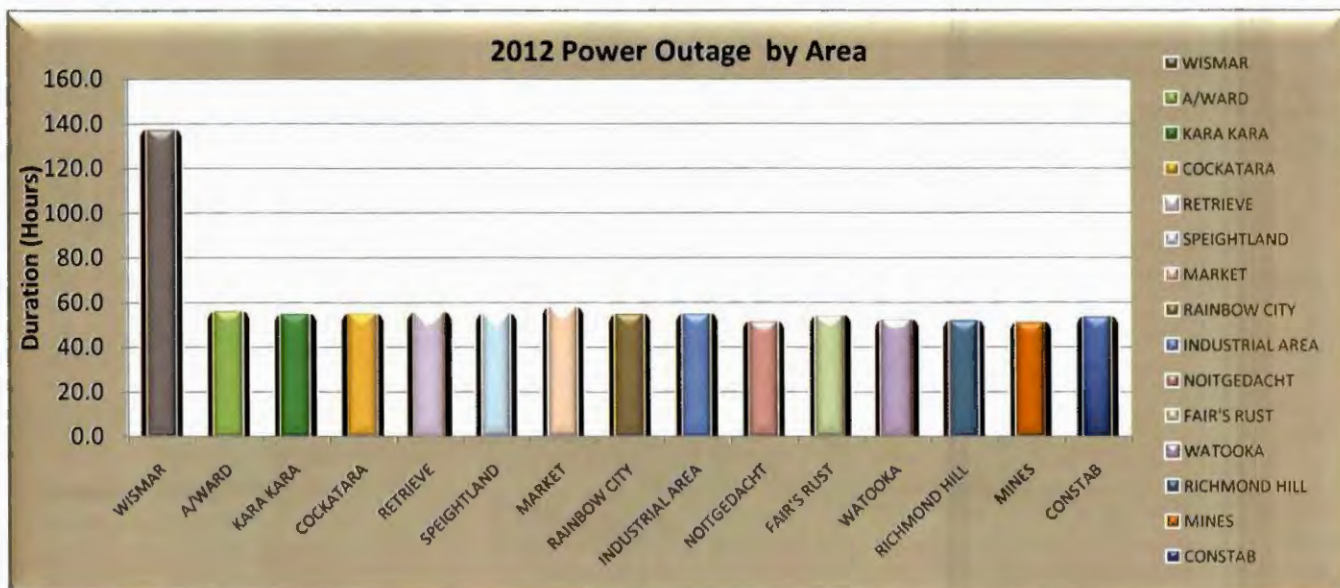
The table shows the duration of outages per area and the graph shows the power outage per area.

	Number of Outages	2009	2010	2011	2012
Total Outages	Generation	30	42	44	86
	Transmission	31	32	15	28

### Power Outage per Area

Area	Origin	2009 Hrs	2010 Hrs	2011 Hrs	2012 Hrs
WISMAR	Generation	15.2	36.3	39.1	76.3
	Transmission	15.9	30.0	29.0	60.9
A/WARD	Generation	10.6	24.2	29.3	52.6
	Transmission	3.6	5.1	1.9	3.1
KARA KARA	Generation	10.6	24.2	29.3	53.2
	Transmission	1.2	5.1	1.9	1.4
COCKATARA	Generation	11.0	24.2	29.3	53.2
	Transmission	1.2	4.6	1.9	1.4
RETRIEVE	Generation	10.6	24.2	29.3	53.2
	Transmission	1.2	5.1	1.9	1.4
SPEIGHTLAND	Generation	11.0	24.2	29.3	53.2
	Transmission	1.2	4.6	1.9	1.4
MARKET	Generation	10.9	24.8	29.3	53.2
	Transmission	1.2	3.5	1.9	1.4
RAINBOW CITY	Generation	11.1	24.2	29.3	53.2
	Transmission	1.2	4.6	1.9	1.4
INDUSTRIAL AREA	Generation	11.1	24.2	29.3	53.2
	Transmission	1.2	4.6	1.9	1.4
NOITGEDACHT	Generation	11.0	24.6	29.3	53.2
	Transmission	5.0	5.8	1.9	1.4

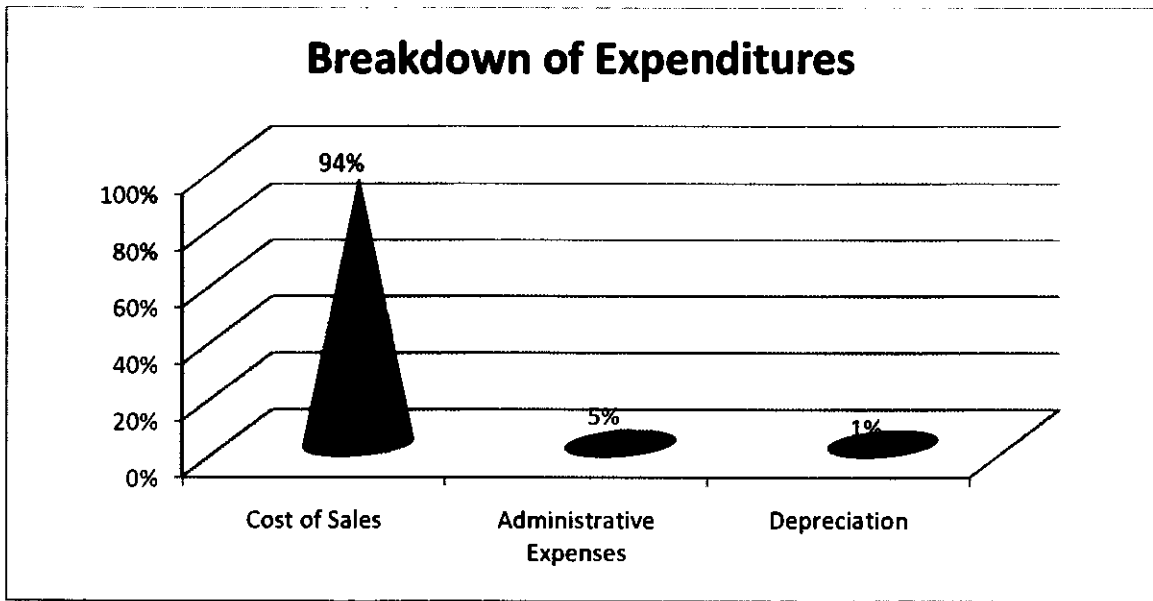
Area	Origin	2009 Hrs	2010 Hrs	2011 Hrs	2012 Hrs
FAIR'S RUST	Generation	11.0	24.6	29.3	53.2
	Transmission	5.0	5.8	1.9	1.4
WATOOKA	Generation	11.0	24.6	29.3	53.2
	Transmission	5.0	5.8	1.9	1.4
RICHMOND HILL	Generation	10.9	24.6	29.3	53.2
	Transmission	7.2	6.3	1.9	1.4
MINES	Generation	10.3	24.0	29.3	53.2
	Transmission	14.6	5.3	1.9	1.4
CONSTAB	Generation	9.2	24.2	29.3	53.2
	Transmission	0.9	3.3	0.9	1.4



**FINANCIAL RESULTS 2012**

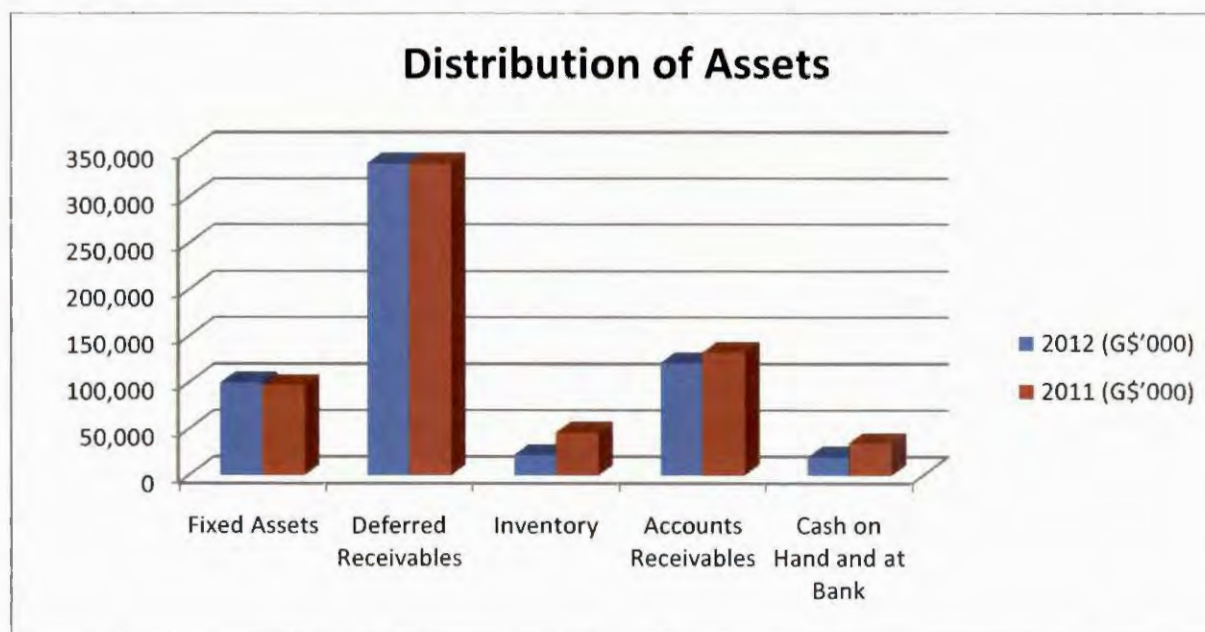
Operating Revenue increased by 14% from 2011. The Company made a net profit of G\$193.6M which is 6% of Operating Revenue. The Cost of Sales in 2012 represents 88% of Operating Revenue. This includes \$2.662B for Community Power charge. Cost of Sales increased by 1.76% from 2011. This was due to the increase in Community Power Charges by 1% from 2011. The Net Operating Cost of Sales is 12% of Operating Revenue.

	2012 (G\$'000)	2011 (G\$'000)	Difference	%age Difference
Operating Revenue	3,142,714	2,756,800	385,914	14%
Operating Expenses	2,764,100	2,756,800	7,300	0.3%
Net Operating Profit(Loss)	378,614	18,800	359,814	2,130%
Administrative Expenses	18,200	18,800	(600)	(3%)
Depreciation	1,173	1,199	(26)	(2%)



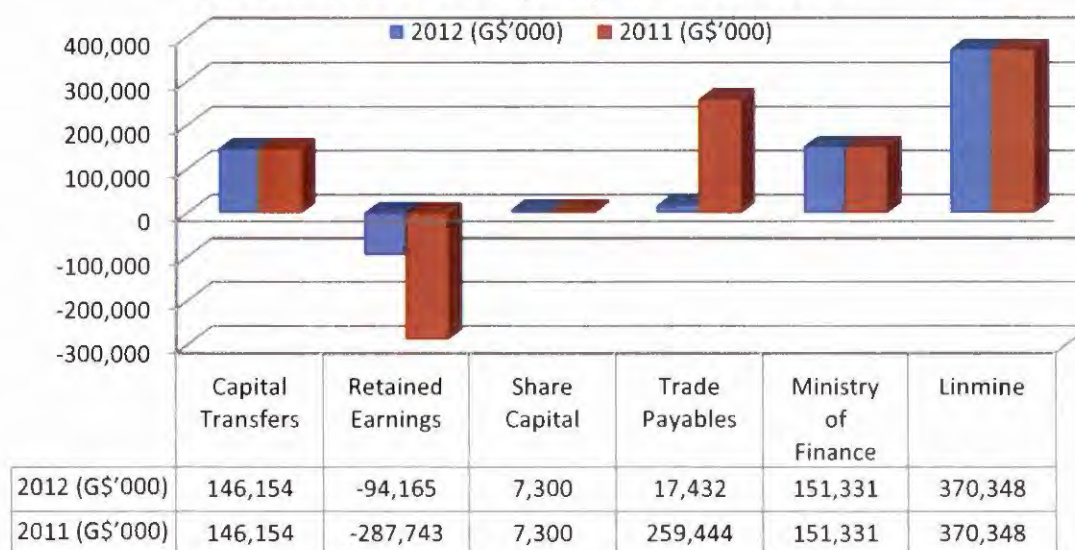


<b>Distribution of LECI's Assets as at 31 December 2012</b>				
<b>Non-Current Assets</b>	<b>2012 (G\$'000)</b>	<b>2011 (G\$'000)</b>	<b>Difference</b>	<b>%age Difference</b>
*Fixed Assets	99,750	97,228	2,522	3%
Deferred Receivables	336,284	336,667	(383)	0.11%
<b>Total Non-Current Assets</b>	<b>436,034</b>	<b>433,895</b>	<b>2,139</b>	<b>0.49%</b>
<b>Current Assets</b>				
Inventory	21,916	46,084	(24,168)	(52%)
Accounts Receivables	121,085	132,477	(11,392)	(9%)
Cash on Hand and at Bank	19,366	34,378	(15,012)	(44%)
<b>Total Current Assets</b>	<b>162,367</b>	<b>212,939</b>	<b>(50,572)</b>	<b>(24%)</b>
<b>Total Assets</b>	<b>598,400</b>	<b>646,834</b>	<b>(48,434)</b>	<b>(7%)</b>



<b>Distribution of LECI's Equity and Liabilities</b>				
	<b>2012 (G\$'000)</b>	<b>2011 (G\$'000)</b>	<b>Difference</b>	<b>%age Differ</b>
<b>Capital Transfers</b>	146,154	146,154	0	0%
<b>Retained Earnings</b>	(94,165)	(287,743)	193,578	(67%)
<b>Share Capital</b>	7,300	7,300	0	0%
<b>Total Capital &amp; Reserves</b>	59,289	(134,289)	193,578	(144%)
<b>Current Liabilities</b>				
<b>Trade Payables</b>	17,432	259,444	(242,012)	(93%)
<b>Total Current Liabilities</b>	17,432	259,444	(242,012)	(93%)
<b>Non-Current Liabilities</b>				
<b>Ministry of Finance</b>	151,331	151,331	0	0%
<b>Linmine</b>	370,348	370,348	0	0%
<b>Total Non-Current Liabilities</b>	521,679	521,679	0	0%
<b>Total Equity and Liabilities</b>	598,400	646,834	(48,434)	(7%)

### Distribution of Equity & Liabilities





## FINANCIAL PERFORMANCE

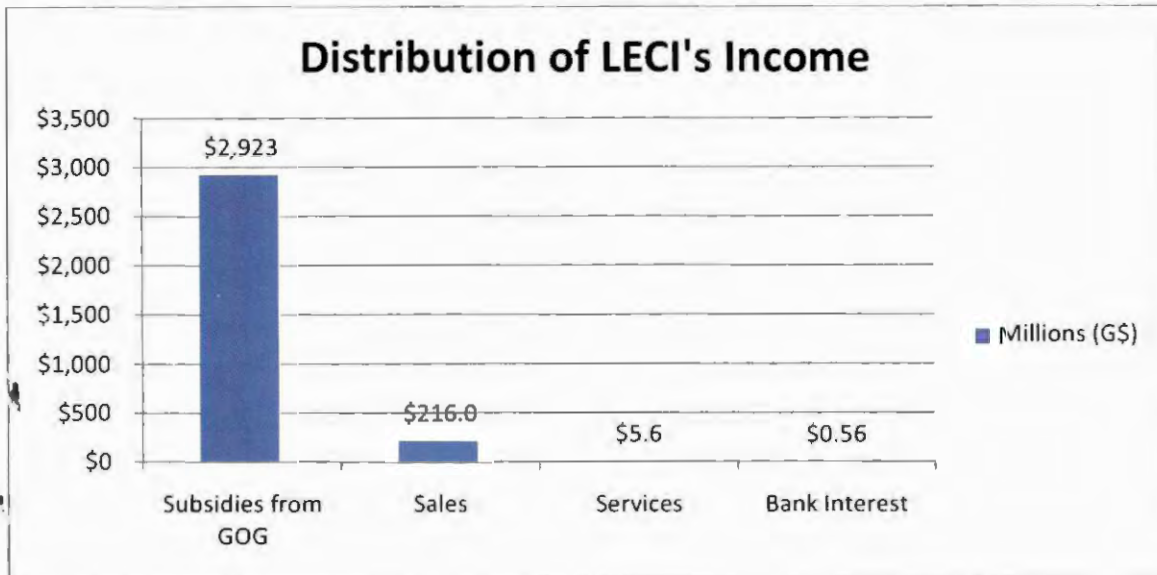
### Profitability

LECI's Net Profit for 2012 was \$193.6M.

### Revenue overview

- Subvention from Government of Guyana - \$2.923B.
- Electricity supplied to Customers - \$216M.
- Connections, Reconnections and other Electrical Services - \$5.6M.
- Bank Interest - \$0.559M

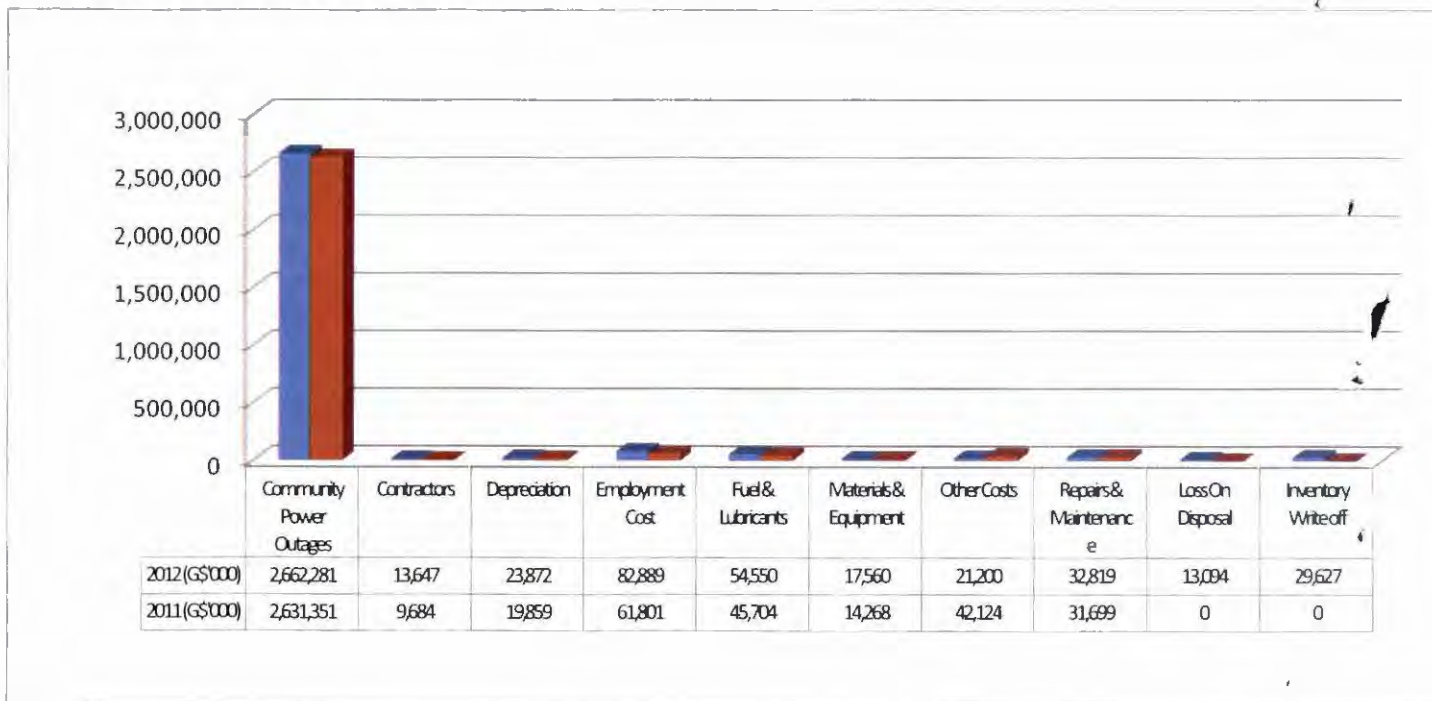
The Total Revenue for the year amounted to \$3.145B.





## Operating Expenses

Total Expenses including Community Power Charges, Materials and Supplies, Employment and other supplies amounted to \$2.952B.



## Debt financing

There was no borrowing in the year under review.

## Capital Expenditure

Capital Expenditure during the year was \$39.5M.

## Share Structure

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

## Dividend

No Dividends were declared for 2012.

**AUDITORS**

Linden Electricity Company Inc., being a company whose shareholder is a wholly state-owned company, is required to have its financial statements audited by the Audit Office of Guyana

Linden Electricity Company Inc  
Mackenzie Linden, Region 10, Guyana

BY ORDER OF THE BOARD



.....  
Shavon Sydney  
Company Secretary

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**AUDITED FINANCIAL STATEMENTS  
OF THE**

**LINDEN ELECTRICITY  
COMPANY INC.**

**FOR THE YEAR ENDED  
31 DECEMBER 2012**

**AUDITOR:  
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: 53/2014

01 July 2014

**REPORT OF THE AUDITOR GENERAL**  
**TO THE MEMBERS OF THE BOARD OF DIRECTORS**  
**ON THE FINANCIAL STATEMENTS OF THE**  
**LINDEN ELECTRICITY COMPANY INCORPORATED**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

I have audited the accompanying financial statements of Linden Electricity Company Inc. (LECI), which comprise the statement of financial position as at 31 December 2012, the statement of 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*

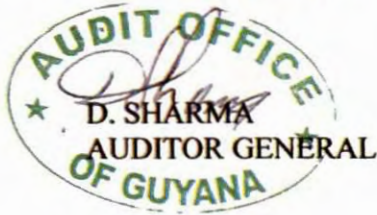
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organization of Supreme Audit Institutions (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 Linden Electricity Company Inc. (LECI) 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 and the Companies Act 1991.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA



**Linden Electricity Company Incorporated**  
**(Wholly Owned Subsidiary of National Industrial And Commercial Investments Limited)**  
**Statement Of Financial Position**  
**As At December 31, 2012**

	Notes	2012 G\$	2011 G\$
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Plant, Property and Equipment	3	99,749,950	97,228,166
Deferred Receivables	4	336,283,561	336,666,697
<b>Total Non - Current Assets</b>		<b>436,033,511</b>	<b>433,894,863</b>
<b>Current Assets</b>			
Inventory		21,916,077	46,084,355
Cash at Bank		19,365,567	34,377,896
Receivables	5	121,084,952	132,476,853
<b>Total Current Assets</b>		<b>162,366,596</b>	<b>212,939,104</b>
<b>TOTAL ASSETS</b>		<b>598,400,107</b>	<b>646,833,967</b>
<b>EQUITY &amp; LIABILITY</b>			
<b>Shareholders' Equity</b>			
Accumulated (Deficit)/Surplus		(94,164,885)	(287,742,645)
Capital Transfers	6	146,153,599	146,153,599
Share Capital		7,300,000	7,300,000
<b>Total Shareholders' Equity</b>		<b>59,288,714</b>	<b>(134,289,046)</b>
<b>Non - Current Liability</b>			
Long - Term Payables	7	521,678,980	521,678,980
<b>Total Non - Current Liability</b>		<b>521,678,980</b>	<b>521,678,980</b>
<b>Current Liabilities</b>			
Payables	8	17,432,412	259,444,036
<b>Total Current Liabilities</b>		<b>17,432,412</b>	<b>259,444,036</b>
<b>TOTAL EQUITY &amp; LIABILITY</b>		<b>598,400,107</b>	<b>646,833,967</b>

The Financial Statements were approved by the Board of Directors on the 26 June 2014

  
 Director

  
 Director

**Linden Electricity Company Incorporated**  
**(Wholly Owned Subsidiary of National Industrial And Commercial Investments Limited)**  
**Statement of Income**  
**For the Period January 1, 2012 - December 31, 2012**

	Notes	2012 G\$	2011 G\$
Revenue	9	222,568,079	222,121,719
Subsidies	10	2,922,549,704	2,526,882,821
<b>Total Revenue</b>		<b>3,145,117,783</b>	<b>2,749,004,540</b>
<i>Less</i>			
Direct Expenses			
Administrative	11	82,889,405	61,801,538
Operating Supplies		17,559,925	14,268,206
Repairs & Maintenance		32,818,746	31,698,747
Contractors		13,646,925	9,683,546
Fuel		54,549,502	45,704,471
Community Power		2,662,281,016	2,631,351,025
Other Expenses		21,200,449	42,123,908
Loss on Disposal		13,094,461	-
Inventory Writeoff		29,627,477	
Depreciation		23,872,117	19,859,197
<b>Total Direct Expenses</b>		<b>2,951,540,023</b>	<b>2,856,490,638</b>
<b>Net Profit for the Year</b>		<b>193,577,760</b>	<b>(107,486,098)</b>

**Linden Electricity Company Incorporated**  
**(Wholly Owned Subsidiary of National Industrial And Commercial Investments Limited)**  
**Statement of Changes in Equity**  
**For the Period January 1, 2012 - December 31, 2012**

	Share Capital G\$	Retained Earnings G\$	Total G\$
<b>As at January 1, 2011</b>	7,300,000	(180,256,547)	(172,956,547)
Profit for the Year		(107,486,098)	(107,486,098)
<b>Balance at December 31, 2011</b>	<u>7,300,000</u>	<u>(287,742,645)</u>	<u>(280,442,645)</u>
<b>As at January 1, 2012</b>	7,300,000	(287,742,645)	(280,442,645)
Profit for the Year		193,577,760	193,577,760
<b>Balance at December 31 , 2012</b>	<u>7,300,000</u>	<u>(94,164,885)</u>	<u>(86,864,885)</u>



**Linden Electricity Company Incorporated**  
**(Wholly Owned Subsidiary of National Industrial And Commercial Investments Limited)**  
**Statement of Cash Flow**  
**For the Period January 1, 2012 - December 31, 2012**

	2012 G\$	2011 G\$
<b>Cash flows from Operating Activities</b>		
Profit for the Year	193,577,760	(107,486,098)
<i>Adjustments For:</i>		
Depreciation	23,872,117	19,859,197
Loss on Disposal	13,094,461	
<b>Operating Profit before Changes in Working Capital</b>	<b>230,544,338</b>	<b>(87,626,901)</b>
(Increase) / Decrease in Inventories	24,168,278	(23,345,077)
(Increase) / Decrease in Receivables	11,391,900	(19,889,945)
Increase / (Decrease) in Payables	(242,011,624)	138,861,329
<b>Cash Generated / (Used) in Operations</b>	<b>24,092,892</b>	<b>7,999,406</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Tangible Assets	(39,488,360)	(27,113,602)
<b>Cash Generated / (Used) by Investments</b>	<b>(39,488,360)</b>	<b>(27,113,602)</b>
<b>Cash Flow from Financing Activities</b>		
LINMINE Secretariat	383,136	(383,136)
<b>Cash Generated / (Used) in Financing</b>	<b>383,136</b>	<b>(383,136)</b>
<b>Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(15,012,332)</b>	<b>(19,497,332)</b>
<b>Cash and Cash Equivalents January 1</b>	<b>34,377,899</b>	53,875,231
<b>Cash and Cash Equivalents December 31</b>	<b>19,365,567</b>	<b>34,377,899</b>

**Linden Electricity Company Incorporated**  
**(Wholly Owned Subsidiary of National Industrial And Commercial Investments Limited)**  
**Notes to the Financial Statements**  
**For the Period January 1, 2012 - December 31, 2012**

**1. Incorporation**

The Company was incorporated by shares under Chapter 89:01 of the Companies Act 1991 on August 11, 2003. The principal activity of the company is the distribution and sale of electricity to the Linden Community on the eastern bank of the Demerara River.

**2. Significant Accounting Policies**

a) Accounting Convention

The accounts have been prepared under the historical cost convention and the accounting policies confirm to International Financial Reporting Standards (IFRSs) and the Companies Act.

b) Sales Revenue Represent:

Kilowatt Hours of electricity billed to customers on the eastern bank of Linden on the Demerara River For the Period January 1, 2012 - December 31, 2012.

Kilowatt Hours of Electricity billed to Linden Utilities Service Co - Operative Society Limited (LUSCSL) on the western bank of Linden on the Demerara River For the Period January 1, 2012 - December 31, 2012.

Connection and / or Reconnection Fees and other electrical service provided by Linden Electricity Company Inc. (LECI) For the Period January 1, 2012 - December 31, 2012.

c) Fixed Assets

Fixed Assets purchased after August 11, 2003 are shown on the Balance Sheet at cost less provision for depreciation.

Fixed Assets transferred from the Linden Mining Enterprise (LINMINE) at privatization on December 9, 2004 will be shown at a nominal value of G\$1.00 for each asset transferred.

Depreciation is provided on the straight line method calculated to write off each asset over its estimated useful life.



**Linden Electricity Company Incorporated**  
**(Wholly Owned Subsidiary of National Industrial And Commercial Investments Limited)**  
**Notes to the Financial Statements**  
**For the Period January 1, 2012 - December 31, 2012**

**3. Tangible Non - Current Assets**

	<u>Land &amp; Buildings</u> G\$	<u>Furniture &amp; Equipment</u> G\$	<u>Motor Vehicles</u> G\$	<u>Distribution Systems</u> G\$	<u>Total</u> G\$
<b>Cost</b>					
At 1 January 2012		19,714,053	37,821,000	122,322,285	179,857,338
Additions		25,403,774		14,084,586	39,488,360
Disposals	-	(14,411,938)	(3,500,000)	(5,468,599)	(23,380,537)
At 31 December 2012	-	30,705,889	34,321,000	130,938,272	195,965,161
<b>Depreciation</b>					
At 1 January 2012		7,062,745	24,542,917	51,023,510	82,629,172
Charge for the Year		4,084,719	6,897,528	12,889,868	23,872,115
Write Back on Disposal		(5,418,321)	(3,500,000)	(1,367,755)	(10,286,076)
At 31 December 2012	-	5,729,143	27,940,444	62,545,623	96,215,211
<b>Net Book Value:</b>					
At 31 December 2011	-	12,651,308	13,278,083	71,298,775	97,228,166
At 31 December 2012	-	24,976,746	6,380,556	68,392,649	99,749,950



**Linden Electricity Company Incorporated**  
**(Wholly Owned Subsidiary of National Industrial And Commercial Investments Limited)**  
**Notes to the Financial Statements**  
**For the Period January 1, 2012 - December 31, 2012**

	2012 G\$	2011 G\$
<b>4. Deferred Receivables</b>		
LINMINE Secretariat	<u>336,283,561</u>	<u>336,666,697</u>
Deffered Receivables represent funds transferred from LECI to the LINMINE Secretariat.		
<b>5. Receivables</b>		
Trade Receivables	112,781,433	131,834,484
Pre - Payments	8,303,519	642,369
<b>Total Receivables</b>	<u><b>121,084,952</b></u>	<u><b>132,476,853</b></u>
<b>6. Capital Transfers</b>		
Capital Transfers	<u><b>146,153,599</b></u>	<u><b>146,153,599</b></u>
<i>This amount represents:</i>		
Customer balance transferred from LINMINE at the end of July 31, 2003.		
Additional invoices processed for the months of December, June and July 2003.		
Funds transferred from LINMINE's Electricity Bank Account at the end of July 2003.		
<b>7. Long - Term Payables</b>		
Capacity Charges - Ministry of Finance	151,331,139	151,331,139
Fuel Consumed for Generation - LINMINE	370,347,841	370,347,841
<b>Total Long - Term Payables</b>	<u><b>521,678,980</b></u>	<u><b>521,678,980</b></u>
<b>8. Payables</b>		
Trade Payables	17,432,412	259,444,036
Accrued Payroll Charges		-
<b>Total Payables</b>	<u><b>17,432,412</b></u>	<u><b>259,444,036</b></u>
<b>9. Revenue</b>		
Billings - Linden	200,742,360	199,025,028
Billings - Ituni	15,617,090	13,354,041
Electricity Services	5,649,405	9,742,650
Bank Interest	559,224	
<b>Revenue from Distribution</b>	<u><b>222,568,079</b></u>	<u><b>222,121,719</b></u>

**Linden Electricity Company Incorporated**  
**(Wholly Owned Subsidiary of National Industrial And Commercial Investments Limited)**  
**Notes to the Financial Statements**  
**For the Period January 1, 2012 - December 31, 2012**

	<b>2012</b>	<b>2011</b>
	<b>G\$</b>	<b>G\$</b>
<b>10. Subsidies</b>		
Capacity Charge for Power - LINMINE Escrow Account	-	-
Cost of Community Power - Ministry of Finance	2,903,869,489	2,508,489,109
Cost of Generator for Ituni - NICIL	-	-
Cost of Ituni Fuel purchased by KUI	18,680,215	18,393,712
<b>Total Subsidies</b>	<b><u>2,922,549,704</u></b>	<b><u>2,526,882,821</u></b>

**11. Administrative**

Administrative include \$ 7,705,220 for Pension Subsidy given to pensioners on the western bank of the Demerara River, and \$ 14,044,146 for Linmine Secretariat Service Charges.

**12. Related Party**

*Key Personnel*

Manager

Finance Officer

*Directors Remuneration*

Directors Remuneration was \$ 288,000

**13. Contingent Liabilities**

There are no Contingent Liabilities.



# LINDEN ELECTRICITY COMPANY INCORPORATED. ANNUAL GENERAL MEETING 2012

## FORM OF PROXY

The Secretary  
Linden Electricity Company Inc.,  
Mackenzie, Linden  
Region No. 10  
Guyana.

I/ We.....

of.....

A Member / Member of Linden Electricity Company Inc. hereby appoint

.....or in

his/her absence ..... of

.....as my/ our Proxy to vote in my/ our name (s)  
and my/ our behalf upon any matter proposed at the 10th Annual General Meeting of the Linden Electricity  
Company Inc. to be held on Wednesday January 7th, 2015 at 14:15 hrs in the Boardroom of National Industrial  
& Commercial Investments Ltd (NICIL) / Privatisation Unit (PU), 126 Barrack Street, Kingston, Georgetown or  
any adjournment thereof in such manner as such Proxy may think proper.

As witness my hand this .....Day of.....

Signed by the Said.....

(Name of Member/s)

..... (Signature of Member/s)

**Note:** To be valid, this form must be completed and deposited with the secretary at least 14 days before the  
time appointed for the meeting or adjourned meeting.