

**AUDITED FINANCIAL STATEMENTS OF THE
GUYANA WATER INCORPORATED**

**FOR THE YEAR ENDED
31 DECEMBER 2013**

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

AUDIT OF THE FINANCIAL STATEMENTS OF THE
GUYANA WATER INCORPORATED
FOR THE YEAR ENDED 31 DECEMBER 2013

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Audit Office of Guyana

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199 /PC: 80/1/2014

22 September 2014

Mr. Shaik Baksh
Chief Executive Officer
Guyana Water Incorporated
Vlissengen Road & Church Street
Georgetown.

Dear Mr. Baksh,

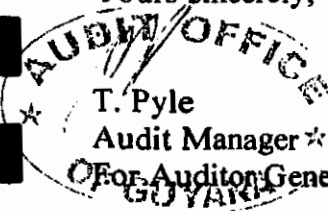
**AUDIT OF THE BOOKS AND ACCOUNTS OF THE
GUYANA WATER INCORPORATED
FOR THE YEAR ENDED 31 DECEMBER 2013**

Please find attached two copies of the audited financial statements of the Guyana Water Incorporated for the year ended 31 December 2013, 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,

T. Pyle
Audit Manager ☆
For Auditor General



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AG: 75/2014

22 September 2014

**REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS
OF THE GUYANA WATER INCORPORATED
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

I have audited the accompanying financial statements of Guyana Water Incorporated, which comprise the statement of financial position as at 31 December 2013, 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 Guyana Water Incorporated as at 31 December 2013, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

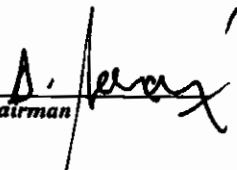


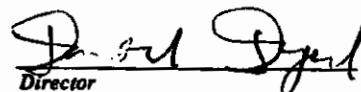
AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

	Notes	2013 G\$	2012 G\$ Restated
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	2	20,845,594,160	21,040,870,626
Capital Work-in-Progress	3	4,426,650,856	2,544,145,324
Total Non-Current Assets		25,272,245,016	23,585,015,949
Current Assets			
Inventories	4 (4.1)	1,201,999,538	1,149,984,054
Accounts Receivables	5 (5.1)	2,029,828,432	3,145,404,786
VAT Receivable	5 (5.4)	11,710,895	48,920,412
Cash & Cash Equivalents	6	2,033,838,541	1,647,480,609
Total Current Assets		5,277,377,406	5,991,789,861
TOTAL ASSETS		30,549,622,422	29,576,805,810
EQUITY AND LIABILITIES			
External Fundings			
External Funding -GOGH C/Part		12,307,281,779	12,156,186,939
External Funding -DFID		1,975,234,215	1,975,234,215
External Funding -World Bank		3,942,876,676	3,942,876,676
External Funding -EIB		336,636,672	336,636,672
External Funding -IDB		1,737,886,850	2,908,965,936
External Funding - CDB		1,338,975,603	1,338,975,603
External Funding -EU		190,000,000	190,000,000
External Funding - JICA		2,986,935,270	2,986,935,270
Total External Fundings		24,815,827,065	25,835,811,311
Shareholders' Equity			
Share Capital	7 (7.1)	8,825,300	8,825,300
Additional Paid-in-Capital		3,372,346,395	3,372,346,395
Revaluation Reserve		1,892,206,079	1,892,206,068
Accumulated Deficit		(7,062,146,859)	(3,907,282,195)
Total Shareholders' Equity		(1,788,769,085)	1,366,095,568
TOTAL EXTERNAL FUNDINGS & SHAREHOLDERS' EQUITY		23,027,057,980	27,201,906,879
Non Current Liabilities			
Deferred Income	8	4,912,497,761	2,331,304,050
Current Liabilities			
Trade and Other Payables	8 (8.1)	2,610,066,681	43,594,880
Total Liabilities		7,522,564,442	2,374,898,930
TOTAL EQUITY & LIABILITIES		30,549,622,422	29,576,805,810

The Notes on Pages 5 to 13 Form an Integral Part of these Financial Statements.

Signed for and on behalf of the Board of Directors,


Chairman


Director

	Note	2013 G\$	2012 G\$ Restated
Operating Income			
Measured water supply		1,905,643,581	1,801,071,131
Unmeasured water supply		1,425,505,272	1,381,039,920
Total Operating Income		3,331,148,853	3,182,111,051
Operating Expenses			
Employment Costs	9	1,008,822,250	927,336,458
Depreciation	10	1,522,059,768	1,626,326,036
Directors' Fees	11	1,164,000	1,164,000
Legal Settlement			5,900,000
Provision for Legal Settlement	12	17,175,000	(26,072,567)
Administrative Expenses		138,066,480	153,675,465
Premises Costs	13	2,626,238,945	3,088,443,587
Rates and Taxes	13	2,012,165	1,825,769
Provision for Impairment of Receivables		270,085,096	-
Impaired Receivables		399,121,156	494,131,151
Transport Cost		61,729,638	63,224,201
Supplies and Services	14	812,428,592	697,280,845
Total Operating Expenses		6,858,903,090	7,033,234,945
Operating Loss for the Year		(3,527,754,237)	(3,851,123,894)
Other Comprehensive Income:			
Add Other Income		1,005,408,309	3,195,784,889
Provision for Impairment of Receivables			
Add Interest Income		15,179,988	14,887,022
Less Withholding tax		(3,035,998)	(2,977,409)
Net of Withholding tax		12,143,990	11,909,613
Total Other Comprehensive Income		1,017,552,299	3,207,694,502
Net Comprehensive Income/(Loss) for the Year			
Attributable to Shareholders' Equity		(2,510,201,938)	(643,429,392)
Basic Earnings/(Loss) per Share in Dollars	15	(284)	(73)

The Notes on Pages 5 to 13 form an Integral Part of these Financial Statements.



	Share capital	Additional Paid-in Capital	Revaluation Reserve	Accumulated Deficit	Attributable to Shareholders' Equity
	G\$	G\$	G\$	Restated G\$	G\$
Balance at January 1, 2012	8,825,300	3,372,346,395	1,892,206,068	(3,263,852,804)	2,009,524,959
Prior Year Adjustment				(644,662,725)	(644,662,725)
Net loss for the Year Ended 31st December 2012				(643,429,392)	(643,429,392)
Balance at December 31, 2012	8,825,300	3,372,346,395	1,892,206,068	(4,551,944,921)	721,432,842
Net Loss for the Year				(2,510,201,938)	(2,510,201,938)
As at December 31, 2013	8,825,300	3,372,346,395	1,892,206,068	(7,062,146,859)	(1,788,769,085)

The Notes on Pages 5 to 13 Form an Integral Part of these Financial Statements.

	Notes	2013 G\$	2012 G\$ Restated
Cash Flows from Operating Activities			
Net Income/(Loss) for the Year		(2,510,201,938)	(643,429,392)
Adjustments for:			
Depreciation of Non-Current Assets		1,522,059,776	1,626,326,036
Interest Receivable		(15,179,988)	(14,887,022)
Operating Income before Working Capital Changes		<u>(1,003,322,150)</u>	<u>968,009,622</u>
(Increase) in Inventories		(52,015,484)	(179,732,585)
Decrease in Accounts Receivables		508,123,146	373,202,912
Increase in Trade & Other Payables		5,147,665,512	1,430,252,867
Cash Generated from Operations		4,600,451,024	2,591,732,816
Taxes paid			
Net Cash Inflows from Operating Activities		<u>4,600,451,024</u>	<u>2,591,732,816</u>
Cash Flows from Investing Activities			
Interest Received		15,179,988	14,887,021
Additions to Fixed Assets and Work in Progress		(3,209,288,836)	(2,579,113,600)
Net Cash used in Investing Activities		<u>(3,194,108,848)</u>	<u>(2,564,226,579)</u>
Cash Flows from Financing Activities			
External Funding		(1,019,984,246)	401,071,508
Net Cash Flows from Financing Activities		<u>(1,019,984,246)</u>	<u>401,071,508</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		386,357,932	428,577,745
Cash and Cash Equivalents at January 1,2012		1,647,480,609	1,218,902,864
Cash and Cash Equivalent at December 31,2013	6	<u>2,033,838,541</u>	<u>1,647,480,609</u>
Per Statement of Financial Position		<u>2,033,838,541</u>	<u>1,647,480,609</u>

The Notes on Pages 5 to 13 Form an Integral Part of these Financial Statements.

1. Accounting Policies.

(a) Incorporation and Principal Activities

(i) The Guyana Water Incorporated was incorporated in Guyana on May 30, 2002 under the Companies Act, 1991. The company was formed out of a merger between the Guyana Water Authority (GUYWA) and the Georgetown Sewerage and Water Commissioners (GS & WC). The principal activities of the company are as follows:

- The supply of potable water to the citizens of Guyana.
- The provision of sewerage disposal services to the residents of Central Georgetown.
- Operation and maintenance of the water and underground sewerage system in Guyana.
- Customer billing and collection of tariffs for the service provided.

(ii) Significant Accounting Policies

Basis of Preparation

These Financial Statements have been prepared in accordance with and comply with International Financial Reporting Standards. The Financial Statements have been prepared under the historical cost convention except for the measurement at fair value revaluation of property, plant and equipment and financial instruments. Historic cost is generally based on the fair value of the consideration given in exchange for assets.

(b) International Accounting Standard 1 (IAS 1)- Presentation of Financial Statements (revised)

The Company has adopted IAS 1- Presentation of Financial Statements in the presentation of its Financial Statements. IAS 1 has introduced terminology changes (including revised titles for the Financial Statements).

Statement of Financial Position - formerly Balance Sheet
Statement of Comprehensive Income - formerly Income Statement
Statement of Cash Flows - formerly Cash Flows Statement

International Accounting Standard 7 (IAS 7)- Statement of Cash Flows. The Company has amended its presentation of IAS 7 to comply with IAS 1 requirements.

(c) Foreign Currencies

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Company operates. The Financial Statements are presented in Guyana dollars, which is the Company's functional currency. Transactions involving foreign currencies are translated into prevailing rate at the dates of those transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation of the monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Comprehensive Income.

(d) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Expenditure on assets, which will benefit the company economically for a period greater than the current financial accounting period, is capitalized and written off over their useful life of the assets.

Individual assets or groups of items making up a single identifiable asset of value less than \$15,000 are not capitalized but are expensed in the accounting period in which the costs are incurred.

The capitalized asset value of purchased assets is measured at the full cost of bringing the assets to working condition for the intended use. Self constructed assets are stated at the accumulated cost of purchased elements together with the element of internal cost incurred in constructing the asset. These elements include materials, labour, consultancy fees, overheads (direct and indirect) and other additional costs. Finance costs that are directly attributable to the construction of tangible assets are capitalized as part of the cost of these assets. Capitalization of finance costs ceases when the asset is brought into use.

Subsequent expenditure on existing assets is capitalized where the expenditure provides an enhancement of the economic benefits of the asset in excess of the previously assessed standard of performance.

Assets are reviewed from impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(e) Depreciation

Depreciation on all property, plant & equipment is charged on a straight-line basis. The rates used are expected to write off the value of the assets over their useful economic lives. The annual depreciation rates used as per asset classification are as follows:

	Estimated life (years)	Depreciation rate %
Land	Unlimited	0
Buildings	25 - 60	2 - 10
Mechanical and electrical plant	10	10
Motor vehicles and mobile plant	5	20
Furniture and fixture	7-15	6.5-14
Other office equipment	5	20
Infrastructure water	10-50	2 - 10
Infrastructure sewerage	10-40	2.5 - 10
Computer hardware	5	20
Computer software	3	33.33

Depreciation is not charged on land and work in progress. The useful life of assets capitalized from work in progress commences when the assets involved have been completed and are put into use in the Company. Depreciation is charged in the year of capitalization this is in compliance with the fixed asset policy.

(ii) Significant Accounting Policies (continued)

(f) Income Recognition

Turnover comprises billed sales of water and services to customers. Tariffs payable by customers are determined by reference to the Company's licence. Income is measured at fair value of the consideration received or receivable. Income is reduced for estimated invoices by issuance of adjustments as appropriate.

(g) Provision for Impairment of Receivables

Provision is made in these Financial Statements for amounts included in accounts receivable of which the eventual cash realization is considered remote. Provision is based on the company's Financial Regulations and is disclosed in the Statement of Comprehensive Income.

(h) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the obligation.

The amount that is shown as provision is the best estimate of the consideration required to settle the obligation at the Statement of Financial Position date.

(i) Taxation

Taxation expense represents the sum of the statutory tax currently payable and deferred tax.

Statutory Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which those deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting income.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced in the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax law) that have been enacted at the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legal enforceable right to set off current tax assets against current liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities.

Statutory and Deferred Taxes for the Period

Current and deferred taxes are recognized as an expense or income in the Statement of Comprehensive Income (whether in other Comprehensive Income or directly in equity), in which case the tax is also recognized outside the Statement of Comprehensive Income.

(j) Inventories - maintenance spares

Maintenance spares are stated at the lower of cost, as determined on a weighted average basis, and net realizable value. Provision is made for obsolete, slow moving and defective stocks.

(ii) Significant Accounting Policies (continued)

(k) Employee Benefits

The Company operates a defined benefit plan for its employees who are on the fixed establishment. The Company's pensions and gratuities paid to long-serving employees are charged to the Statement of Comprehensive Income in which they are paid. No other post retirement benefits are provided for these employees. The Company is seeking to implement a more comprehensive pension and medical scheme for all of its employees. This is not in full compliance with IAS 19 - Employee Benefits. The company is exploring the option of a professional actuarial assessment that would be in accordance with IAS 19.

**(l) Government Subvention - IAS 20 Accounting for Government Grants and Disclosure of Government Assistance
Grants Related to Expense**

Government grant is recognized only when received and is treated as other income and offset against electricity liability of Guyana Power and Light Inc.

Grants Related to Capital Works

Government Grants are recognised when there are reasonable assurance that (A) the company will comply with the conditions attached to the grants (b) the grants

The company accounts for grants using the "Income Approach Method". Completed assets are capitalized and depreciated in accordance the rate regime according to the asset category.

(m) 1.0 Financial Risk Management

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, credit risk, liquidity and interest rate risk. Management seeks to minimize potential adverse effects on the financial performance of the Company by applying procedures to appropriately identify, evaluate and manage these risks.

1.1 Foreign Currency Risk

Currency risk is the risk that the value of an monetary asset or liability fluctuate because of changes in foreign exchange rates. Management accepts the risk and would take the gain or loss on the transaction to the Statement of Comprehensive Income.

1.2. Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the Statement of Financial Position are net of allowances of impairment. High risk accounts are monitored and pursued to maximize collection. Principal classes of gross trade receivables as shown in note 5.1.

(ii)

1.3 Liquidity Risk

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet its commitments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the management of the Company aims at maintaining flexibility in funding by keeping committed lines of credit available. All financial assets and liabilities as shown on the Statement of Financial Position are contractually payable within one year of the Statement of Financial Position date. The Company also receive subvention funds from the Government to settle liabilities as they fall due.

Ultimate responsibility for risk management rests with the Board of Directors of the Company.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses major financial assets and liabilities of the Company into relevant grouping based on the remaining period to the maturity dates.

December 31, 2013				
	Up to One Year G\$	Two to Five Years G\$	Over Five Years G\$	Total G\$
Assets				
Receivables	1,969,186,213			1,969,186,213
Cash & Cash Equivalents	2,033,838,541			2,033,838,541
Val Receivables	11,710,895			11,710,895
Others	60,642,218			60,642,218
Total Assets	4,075,377,868			4,075,377,868
Liabilities				
Trade Payables	778,423,836			778,423,836
Electricity Payable	(197,708,523)			(197,708,523)
Contract Payables	1,724,339,564			1,724,339,564
Rates & Taxes	305,011,804			305,011,804
Others				
Total Liabilities	2,610,066,681			2,610,066,681
Net Liquidity Gap	1,465,311,187			1,465,311,187
December 31, 2012				
	Up to One Year G\$	Two to Five Years G\$	Over Five Years G\$	Total G\$
Assets				
Receivables	3,057,963,099			3,057,963,099
Cash & Cash Equivalents	1,647,480,609			1,647,480,609
Val Receivables	48,920,412			48,920,412
Others	87,441,687			87,441,687
Total Assets	4,841,805,807			4,841,805,807
Liabilities				
Trade Payables	137,041,468			137,041,468
Electricity Payable	(1,375,039,474)			(1,375,039,474)
Contract Payables	868,507,756			868,507,756
Rates & Taxes	323,254,663			323,254,663
Others	89,830,467			89,830,467
Total Liabilities	43,594,880			43,594,880
Net Liquidity Gap	4,798,210,927			4,798,210,927

1.4 Interest Rate Risk

The Company has no significant interest bearing assets. The Company's interest rate risk arises from investments in financial institutions. Income from investments are recognized on a receivable basis and included as Other Income in the Statement of Comprehensive Income.

The Company's income and operating cash flows are not substantially dependent on from changes in market rates.

The Company's interest rate risk arises primarily from its interest bearing investments with commercial banks.

The table below analyses major financial assets and liabilities of the Company into relevant grouping based on the remaining period to the maturity date.

December 31, 2013					
	Weighted Average Effective Interest Rate %	Up to One Year G\$	Two to Five Years G\$	Over Five Years G\$	Total G\$
Assets					
Receivables		1,969,186,213			1,969,186,213
Investments with Commercial Banks	2.75%	695,677,059			695,677,059
Cash on Hand and at Bank	1.50%	1,338,161,482			1,338,161,482
Vat Receivables	0.00%	11,710,895			11,710,895
Others	0.00%	60,642,218			60,642,218
		<u>4,075,377,868</u>			<u>4,075,377,868</u>
Liabilities					
Trade Payables	0.00%	778,423,836			778,423,836
Electricity Payable	0.00%	(197,708,523)			(197,708,523)
Contract Payables	0.00%	1,724,339,564			1,724,339,564
Rates & Taxes		305,011,804			305,011,804
Others	0.00%				
Total Liabilities		<u>2,610,066,681</u>			<u>2,610,066,681</u>
Interest Sensitivity Gap		1,465,311,187			1,465,311,187
December 31, 2012					
	Weighted Average Effective Interest Rate %	Up to One Year G\$	Two to Five Years G\$	Over Five Years G\$	Total G\$
Assets					
Trade Receivables		3,057,963,099			3,057,963,099
Investments with Commercial Banks	2.75%	683,548,066			683,548,066
Cash on Hand and at Bank	1.50%	963,932,542			963,932,542
Vat Receivables	0.00%	48,920,412			48,920,412
Others	0.00%	87,441,687			87,441,687
		<u>4,841,805,806</u>			<u>4,841,805,806</u>
Liabilities					
Trade Payables	0.00%	137,041,468			137,041,468
Electricity payable	0.00%	(1,375,039,474)			(1,375,039,474)
Contract Payables	0.00%	868,507,756			868,507,756
Rates & Taxes	0.00%	323,254,663			323,254,663
Others		89,830,467			89,830,467
Total Liabilities		<u>43,594,888</u>			<u>(46,235,587)</u>
Interest Sensitivity Gap		4,798,210,926			4,888,041,393

(a) **Comparative Information**

Where necessary, comparative information has been adjusted to conform with changes in the presentation of the Financial Statements.

(o) **Financial Instruments**

The Company's financial assets and financial liabilities are recognized in the Statement of Financial Position when it becomes party to the contractual obligation of the instrument. A financial asset is derecognized when the right to receive cash flows from the assets have expired or where the Company has transferred all the risk and rewards of the ownership of the assets. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

Held to maturity

Held to maturity investments are financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Held to maturity investments are carried at cost less any provision for impairment.

(p) **Accounting for Government Grants - IAS 20**

Government Grants are recognised when there are reasonable assurance that (A) the company will comply with the conditions attached to the grants (b) the grants will be received.

The company accounts for grants using the "Equity Method". Completed assets are capitalized when completed and depreciated with accordance to the rates regime according to the asset category.

	Audited 2013 G\$	Audited 2012 G\$	
2	Property, Plant and Equipment (PPE) note is Attached in Schedule 1	20,845,594,162	21,040,870,626
3	Capital Work-in-Progress - attached is Schedule 2 with details		
3.1	At January 1.	2,544,145,322	1,893,335,632
	Costs during the year	3,139,302,120	2,503,876,177
	Total	5,683,447,442	4,397,211,809
	Transfers to Property, Plant & Equipment	(1,236,796,588)	(1,853,066,487)
	Amounts Written-off		
	Grand Total	<u>4,426,650,854</u>	<u>2,544,145,322</u>
4	4.1 Inventory		
	Inventory	1,119,851,314	1,878,675,263
	Goods in transit	84,621,258	72,981,825
	Less Provision for obsolescence	(1,673,834)	(1,673,834)
	Inventory	<u>1,201,999,538</u>	<u>1,149,984,054</u>
5	Accounts Receivable		
5.1	Trade Receivables	6,008,408,525	7,459,605,948
	Impairment of Receivables	(4,039,222,312)	(4,401,642,849)
	Sub Total	<u>1,969,186,213</u>	<u>3,057,963,099</u>
	Other Receivables	72,353,114	136,362,100
	Grand Total	<u>2,041,539,327</u>	<u>3,194,325,198</u>
	Impairment of Receivables		
	There is an ongoing exercise to examine customer database, which will result in a more accurate gross receivables and reduce the need for large provisioning for bad and doubtful accounts.		
5.2	Receivables		
	Receivables (water and sewerage supply) are carried at original bill amount less impairment of receivables based on a review of all outstanding amounts at year end.		
5.3	Provision for impaired receivables	Audited 2013 G\$	Audited 2012 G\$
	Balance at Beginning of the Year	4,401,642,849	4,401,642,849
	Provision for the Year	(632,505,633)	-
	Grand Total	<u>3,769,137,216</u>	<u>4,401,642,849</u>
5.4	Accounts Receivables		
	Trade Receivables	6,008,408,525	7,459,605,948
	Total	<u>6,008,408,525</u>	<u>7,459,605,948</u>
	Other Receivables & Prepayment	60,642,218	87,441,687
	Vat Receivables	11,710,895	48,920,412
	Total	<u>72,353,114</u>	<u>136,362,100</u>
	Grand Total	<u>6,080,761,639</u>	<u>7,595,968,047</u>

6 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and investments. Cash and cash equivalents included in the cash flow comprise the following amounts in the Statement of Financial Position:

	Audited 2013 G\$	Audited 2012 G\$
Cash on Hand	1,395,997	2,165,742
Project Funds	529,976,086	795,325,278
Investments with Banks	695,677,059	683,548,066
Current Accounts	806,789,398	166,441,522
Total	2,033,838,541	1,647,480,609

7. Authorized & Issued Capital

Authorized:

1,000,000 ordinary shares at an issue price of G\$100 each

100,000,000 100,000,000

7.1 Issued:

88,253 ordinary shares at G\$100 each

8,825,300 8,825,300

8,825,300 8,825,300

7.2 Stated Capital

issued and Fully Paid Shares

8,825,300 8,825,300

8,825,300 8,825,300

The Company is authorized to issue a maximum of 1,000,000 ordinary shares at a minimum issue price of G\$100 each. All issued shares are held by the Government of Guyana.

8 Non Refundable Grants

The company has fully adopted IAS 20 - Accounting for Government Grants & Disclosure of Government Assistance in 2012. Non refundable grants contributed by the Government of Guyana and loans from the Inter-American Development Bank which are repaid by the Government in respect of capital works are under the Coastal, Linden and Hinterland and the Georgetown Sewerage are credited to income which is amortised over the same period that the related period assets are depreciated.

Non Refundable Grants

In accordance with the accounting policy described in note (1) above, the following capital contributions received from the Government of Guyana and the Inter American Development Bank are amortised over the period related assets are depreciated.

	Audited 2013 G\$	Audited 2012 G\$
Contributions:		
At January 1	2,246,272,969	0
Contribution during the Year:	2,538,079,086	2,246,272,969
As at December 31	4,784,352,055	2,246,272,969
Amortisation:		
At January 1	1,016,682	0
Amortisation during the Year	0	1,016,682
As at December 31	1,016,682	1,016,682
Net Deferred Income at December 31	4,783,335,373	2,245,256,287
Other Deferred Income	129,162,388	86,047,763
	4,912,497,761	2,331,304,050

The capital contribution consists of the following:

The Inter American Development Bank loans:

Georgetown Sanitation Improvement Program - Loan No.2428/BL-GY

533,957,305 511,777,105

Linden Water Supply Rehabilitation Program - Loan No.2535/BL-GY

637,121,781 584,495,864

The Government of Guyana capital contribution

1,367,000,000 1,150,000,000

Total

2,538,079,086 2,246,272,969

8.1 Accounts Payable

Creditors	351,230,124	56,649,616
Creditors - Payroll	224,176	-
Creditors - Electricity	(197,708,523)	(1,375,039,474)
Creditors - Contract Payables	1,724,339,564	868,507,756
Other Accruals & Payables	426,969,536	80,391,852
Provision for Legal Settlements	-	89,830,467
Withholding, Rates and Taxes	305,011,804	323,254,663
Total	2,610,846,681	43,594,880

		Audited 2013	Audited 2012
9.	Net Income before Taxation is Stated after Charging:		
		G\$	
	Employment Costs		
	Gross salaries	890,276,091	816,760,535
	Employer NIS	48,471,543	42,219,864
	Pension Costs	70,074,616	68,356,059
	Total	1,008,822,250	927,336,458
10.	Depreciation		
	Buildings	45,935,089	62,745,264
	Mechanical Electrical Plants	456,196,793	441,507,406
	Motor Vehicles	14,761,011	11,215,877
	Fixture & Fittings	14,217,890	12,827,807
	Water Infrastructure	886,422,837	1,016,918,589
	Sewerage Infrastructure	7,451,802	7,599,888
	Hardware & Software	97,074,345	73,511,202
	Other Assets		
	Total	1,522,059,768	1,626,326,033
11.	a. Board Members' Fees		
		Audited 2013	Audited 2012
		G\$	G\$
	Amount paid	1,164,000	1,184,000
	Total	1,164,000	1,184,000
12.	Contingent Liability		
(a)	The Company is a defendant of several matters for which the ultimate liability of the Company, if any, has not been determined. A provision has been made based on professional advice for these matters.		
13.	Premises cost		
		Audited 2013	Audited 2012
		G\$	G\$
	Electricity	2,407,522,664	2,828,673,947
	Other Power	34,255,487	44,392,841
	Others - including rates and taxes	186,472,956	217,202,568
	Total	2,628,251,107	3,090,269,356
14.	Supplies and Services		
	Total	812,428,592	697,280,845

15. **Basic Earnings per Share**

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Audited 2013 C\$	Audited 2012 C\$
Net Income/(Loss) for the Year	(2,510,201,938)	(643,429,392)
Net Income/(Loss) Attributable to Shareholders' Equity	<u>(2,510,201,938)</u>	<u>(643,429,392)</u>
Weighted Average Number of Ordinary Shares in Issue	8,825,300	8,825,300
Basic Earnings/(Loss) per Share	(284)	(73)

Guyana Water Inc
 Schedule 1
 Fixed Assets as at 31st December, 2013

	Land	Buildings	Mechanical Electrical plant	Motor vehicle Mobile Plant	Furniture, fixture & Office Equipment	Infrastructure Water	Infrastructure Sewerage	Hardware and Software	Work-in-progress	Total Assets	Net Capitalised Assets
Cost Jan 1 2013	820,007,897	1,282,550,513	4,542,255,513	189,222,578	118,355,179	25,740,154,173	365,356,152	765,376,379	2,544,145,322	36,367,423,706	33,823,278,384
Additions	-	124,267,076.36	91,793,530.32	89,507,000.00	4,325,894.07	777,863,951.20	10,507,337.10	228,518,513.36	3,139,302,120	4,466,085,422	1,326,783,302
Disposals/ Transfers/ Capitalized	-	-	-	-	-	-	-	-	1,256,796,588	1,256,796,588	-
Total Assets	820,007,897	1,406,817,589	4,634,049,043	278,729,578	122,681,073	26,518,018,124	375,863,489	993,894,892	4,426,650,854	39,576,712,541	35,150,061,686
Accumulated dep'n as at Jan 1, 2013	-	320,213,440	2,466,962,664	153,987,558	92,530,557	9,100,435,765	91,689,211	556,588,560	-	12,782,407,756	12,782,407,756
Dep year as at 31st Dec, 2013	-	45,935,089.20	456,196,793.28	14,761,010.87	14,217,889.89	886,422,837.26	7,451,802.20	97,074,345.42	-	1,522,059,768	1,522,059,768
Total Accumulated dep'n as at Dec 30th, 2013	-	366,148,529	2,923,159,457	168,748,569	106,748,447	9,986,858,602	99,141,014	653,662,966	-	14,304,467,524	14,304,467,524
NBV	820,007,897	1,040,669,060	1,710,889,586	109,981,009	15,932,626	16,531,159,522	276,722,476	340,231,926	4,426,650,854	25,272,245,016	20,845,594,162

Category	Sub-category	Particulars	Useful Life	Depreciation Rates
Land	A	A - Land	Unlimited	
Building	B1 - B3	B - Building	10	10%
Building	B1 - B3	B - Building	25	4%
Building	B1 - B3	B - Building	40	2.5%
Building	B1 - B3	B - Building	50	2.0%
Mechanical/Electrical Plant	C1 - C6	C - Mechanical / electrical plant	10	10.0%
Motor Vehicles & Mobile Plant	D1 - D2	D - Vehicles and Mobile plant	5	20.0%
Furniture & Fixture	E1 - E8	E - Furniture / Fixture & office equipment	7 to 15	6.5 % to 14%
Furniture & Fixture	E9 - E12	E - Furniture / Fixture & office equipment	5	20.0%
Infrastructure Water	F1 - F4	F - Infrastructure - water	40	2.5%
Infrastructure Water	F4	F - Infrastructure - water	50	2.0%
Infrastructure Water	F5	F - Infrastructure - water	10	10.0%
Infrastructure Sewerage	G1 - G2	G - Infrastructure - sewerage	40	2.5%
Infrastructure Sewerage	G3	G - Infrastructure - sewerage	10	10.0%
Computer Hardware/Software	H1 - H6 & H8	H - Computer hardware & software	5	20.0%
Computer Hardware/Software	H7	H - Computer hardware & software	3	33.3%

- DPE 20%
- PVC - 20 Years 5.00%
- HDPE - 40 Years 2.50%
- Castile Iron - 30 Years 3.33%
- Bestos Cement - 5 years (these are not used any more and any AC lines in the system should have a zero value)

Guyana Water Inc
Schedule 2

Work in Progress Schedule- Dec,13

	IDB	WB	JICA	GoG	GWI	Total
WIP Dec 31, 2012	1,328,340,800	54,230,039	48,206,279	961,556,710	151,811,494.00	2,544,145,322
Increase in 2013	1,158,628,943			1,147,368,544.97	833,304,632.12	3,139,302,120
Cumulative WIP	2,486,969,743	54,230,039	48,206,279	2,108,925,255	985,116,126	5,683,447,442
Less Transfers:						
Equipment & Materials Expensed	3,652,165.00		31,266,978		49,182,752	84,101,895
Capitalized:-						
Water Infrastructure			14,356,505	631,969,683	234,529,115	880,855,303
Sewerage Infrastructure	72,389,000.00					72,389,000
Vehicles and Mobile Plant						-
Furniture Fixture						-
Hardware & Software					202,925,360.00	202,925,360
Mechanical/Electrical plant				1,669,140		1,669,140
Buildings & Structures				10,352,540	4,503,350	14,855,890
						-
						-
Total Transfers/ Capitalized	76,041,165	-	45,623,483	643,991,363	491,140,577	1,256,796,588
WIP 31st Dec, 2013	2,410,928,578	54,230,039	2,582,796	1,464,933,892	493,975,550	4,426,650,854

Legend:

IDB - Inter-American Development Bank

WB - World Bank

JICA - Japan International Cooperation Agency

GWI -Guyana Water Inc.

GOG- Government of Guyana



Audit Office of Guyana

P.O. Box 1002, 53 High Street, Kingston, Georgetown, Guyana

Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>

261/PC: 80/1/2014

22 September 2014

Mr. Shaik Baksh
Chief Executive Officer
Guyana Water Incorporated
Vlissengen Road & Church Street
Georgetown.

Dear Mr. Baksh,

AUDIT OF THE BOOKS AND ACCOUNTS OF
THE GUYANA WATER INCORPORATED
FOR THE YEAR ENDED 31 DECEMBER 2013

We are pleased to inform you that the audit of the financial statements of the Guyana Water Incorporated (GWI) for the year ending 31 December 2013, has been completed. The findings hereunder were discussed with the accounting personnel of the Guyana Water Incorporated and are now referred to you for appropriate action.

2. Our audit was conducted in accordance with Generally Accepted Auditing Standards, including those of INTOSAI and the International Standards on Auditing, issued by the International Federation of Accountants (IFAC). These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

3. The main purpose of the audit was to express an opinion on the financial statements and evaluate the operations of GWI to ascertain whether:

(i) The financial statements have been properly prepared, in accordance with applicable laws, and properly present the operations and affairs of the GWI;

(ii) The accounts have been faithfully and properly kept;

(iii) The rules, procedures and internal management controls are sufficient to secure effective control on the assessment, collection, and proper allocation of revenue;

(iv) All monies expended and charged to an account have been applied to the purpose or purposes for which they were intended; and

(v) Essential records were maintained, and the internal management controls and rules and procedures established and applied were sufficient to safeguard the control of stores and other property.

FINDINGS AND RECOMMENDATIONS

A. STATEMENT OF FINANCIAL POSITION

Non-Current Assets: \$25,272,245,016

Property, Plant & Equipment: \$20,845,594,160

4. An examination of the payment vouchers and contracts which were capitalized during the period under review revealed the following:

- a) The sum of \$5.3M was expended for the purchase of a Nissan Frontier motor vehicle which was included in additions during the period under review. However, it was observed that the vehicle was registered in October, 2011. As a result, additions for the year would be overstated by the sum of \$5.3M and similarly, Payables for the year ending 31 December 2011 would have been understated by the said amount; and
- b) An examination of the Fixed Assets Register revealed that 3662 and 626 items of fixed assets had \$1 and \$0 net book values respectively. However, these items were still being used by the Company. It should be noted that this is not in compliance with IAS 16. As a result, the amount stated as fixed asset would have been understated/overstated by an undetermined amount.

Recommendation:

The Audit Office recommends that Management of the GWI (a) take action to update the payables account and make the necessary adjustments to the financial statements. Also, ensure that all future outstanding payments to suppliers are recorded as payables in GWI's books to avoid duplication of payments; and (b) should review its policies with regards to all assets with \$1 and \$0 net book value but with economic life with a view of having these assets revalued.

Management's Response:

We noted your comment and have subsequently included February 2013 payables.

Current Assets: \$5,277,377,407

Accounts Receivables: \$2,029,828,432

5. Verification of the financial statements, general ledger, schedules and other related records were carried out and the following observations were made:

- a) The sum of (\$645M) represented prior year adjustments. However, it should be noted that this is not in compliance with IAS 8 Section BC 6 which states "the standard removes the allowed alternative treatments and requires changes in accounting policies and correction of prior period errors to be accounted for retrospectively;

Also, pertinent information such as customer numbers, customer names and the customer adjustments were not presented for audit verification. As a result, the completeness, accuracy and validity of this amount could not be verified; and

- b) The Audit Office sought to independently confirm a sample of eighty customer account balances as at 31 December 2013 from the Hi-Affinity billing system. However, at the time of reporting only one negative response was received.

Recommendation:

The Audit Office recommends that the Management of GWI: (a) adhere to the requirements of IAS 8; and (b) present a schedule showing details of all individual customer accounts that were adjusted.

Management's Response:

This adjustment is an overstatement of the gross receivable which is the difference between Hi-Affinity and the General Ledger at the time of the consultancy work done by the Ram & McRae Chartered Accountant Professional Service Firm in 2006/2007.

Cash and Cash Equivalents: \$2,033,838,541

6. Cash and Cash Equivalents comprised of cash at bank and cash on hand in the sums of \$1.396M and \$2.032B respectively. The Audit Office sought to independently confirm the balances on the nineteen accounts held by GWI. However, at the time of reporting, six responses totalling \$467.570M remained outstanding. Nevertheless, the balances as recorded on the bank statements and bank reconciliation statements were used to verify these amounts. (See Appendix I).

Recommendation:

The Audit Office recommends that the Management of the GWI take follow up action in relation to requests for confirmations.

Management's Response:

All confirmations were sent to the banks as requested and we have made further contact with the banks.

Current Liabilities \$7,522,564,442

Deferred Income \$4,912,497,761

7. Included in the sum of \$4.912B stated as Deferred Income is the sum of \$1.367B which was allocated to the Guyana Water Incorporated by the Ministry of Housing and Water for the year 2013. These sums were voted and expended under three capital subheads are shown below with the expenditures as follows ;

Subhead	Description	Amount \$	Amount Expended \$	Difference \$
28008	Rural Water Supply	160,000,000	141,050,605	18,949,395
28009	Coastal Water Supply	1,100,000,000	1,069,040,494	30,959,506
28010	Linden Water Supply	107,000,000	106,159,713	840,287
Total		1,367,000,000	1,316,250,812	50,749,188

8. The above expenditures totalling \$1.316B included payments for the upgrading of service connections, installation of mains, expansion of water treatment plant, construction of wells, procuring of service connection materials, meters and boxes, installation of pv system, construction of trestle and distribution network, drilling of borehole and provision for supervision.

9. According to the Integrated Financial Management & Accounting System amounts totalling \$1.367B were expended. It was observed that the sum of \$50.749M was transferred to GWI Counterpart Funds (Account No. 001046229013). However, the authority to transfer this amount is still to be provided for audit scrutiny.

Management's Response:

The funds transferred were required to be issued as final payments to contracts that were significantly advanced and were either in or entering defects liability period. These defects period would have expired in 2014. In addition, some of the funds were required to pay for supervision services in the first part of 2014, before the approval of the Budget. The details of the respective program are provided below.

Rural Water Supply

The sum of 18,949,395 was transferred to GWI GoG Counterpart Funds to cover final payments for works undertaken for the installation of PV systems and trestles in addition to supervision cost for final verifications. The projects would have significantly advanced and final payment would have been due in 2014.

Coastal Water Supply

The sum of \$30,959,506 was transferred to GWI GoG Counterpart Funds to cover supervision and final payments for projects that have significantly advanced. In addition, some of the funds were required to reimburse GWI for payment made through wire transfer for procurement undertaken within the capital program.

Linden Water

The sum of \$840,287 was transferred to GWI GoG Counterpart Funds pay for supervision and final payments for a project to be closed in 2014.

10. Physical verifications were carried out on several Projects, however, there were noted discrepancies in one of these Projects as stated below:

a) A contract was awarded through the Rural Water Supply (Ministry of Housing and Water) during the period reviewed in the sum of \$14,997,000 for the drilling and construction of a water well, installation of photovoltaic pumping system, construction of steel framed trestle and installation of water tanks, installation of discharge pipe works and standpipes at Upper Takatu/ Upper Essequibo Region 9. As at 31 December 2013, the full contract sum was expended. The intended completion of the works was nine (9) months; three (3) months for execution and six (6) months for Defects Liability Period.

Based on the physical measurements taken on site and calculations, it was observed that the Contractor failed to meet the contractual requirements in the following instances:

Contract Specifications				Actually Installed by Contractor	
Item	Description	Qty Paid	Total Cost	Description	Qty Found
1.4	SunTech Power STP175S-24/Ab-1 Solar Panel or Equivalent	4 No.	624,000	SunTech Power STP140S-24/Ab-1 Solar Panel or Equivalent	3
				SunTech Power STP215S-24/Ab-1 Solar Panel or Equivalent	1
3.4	Supply and install lightning arrest, minimum capacity of 2000 volts	Sum	30,000	500 volts lightning arrest	1

- The Contractor supplied three (3) 140 watt and one (1) 215 watt panel while the contract specifies that four (4) 175 watt solar panel be installed. Three of the panels which were installed are of a lesser rated wattage. This is clearly a breach in the Specifications.
- The lightning arrestor which was installed is rated at only 500 volts while the contract specifies 2000 volts.

Recommendations

The Audit Office recommends that the Management of GWI comply with the following:

1. GWI must properly inspect all completed works before payments are made so as to ensure that Contractors follow and meet all the Contractual Specifications/ Requirements.
2. Contractors must not be allowed to price a Bid for a specific set of items and instead supply otherwise, unless the requisite procedures and approvals for such changes in the specifications/scope of works are first sought and approved.
3. A copy of the pump test results should be submitted for verification.

Management's Response:

The four panels provided are deemed acceptable for operating the pumping system and this is successfully providing service to the community and there has not been any disruption of service from the existing panels to date. In addition, the other recommendations are noted.

B. STATEMENT OF COMPREHENSIVE INCOME

Operating Expenditure: \$6,858,903,090

11. The sum of \$6.859B represents amounts categorised as Operating Expenditure for the period under review. Included in this figure, are amounts totalling \$1.522B representing depreciation charges applied on the Property, Plant & Equipment owned by the Company. Examination of the related records and recalculation of applied rates revealed that there were twenty instances where the charges were incorrectly calculated which resulted in a difference of \$11.038M. (See Appendix II);

Recommendation:

The Audit Office recommends that the Management of GWI investigate the differences with an aim of making the necessary adjustments to the financial statements and also ensure that depreciation charges are consistently applied and are in keeping with established policies of the Company.

Management's Response:

We've acknowledged your comment. The Data Verification and Cleansing exercise undertaken during 2013 for the Migration of the Assets into the Oracle Fixed Asset Module enabled GWI to correct and standardize the Useful Lives and Depreciation Rates for Asset Categories that were previously applied incorrectly. The Fixed Asset Module adjusted and corrected any inconsistency in the previous depreciation calculation.

C. OTHER MATTERS

Procurement Policies

12. During the year, a total of thirty two contracts totalling \$604.289M were entered into for the supply and installation of the transmission upgrade, remedial works to water supply systems and distribution of network. An examination of the contracts and related documents presented revealed that twelve contracts totalling \$150.680M within the limit of \$10M-\$15M and three contracts totalling \$48.016M within the limit of \$15M-\$20M were awarded by GWI Management Tender Board Committee and GWI Tender Board, respectively. However, this was in breach of the Procurement Act Section 24 (1 & 2) of Part III of the Procurement Act № 8 of 2003 which states:

- 1) "Public corporations and other bodies in which the controlling interest is vested in the State may, subject to the approval of the National Board, conduct procurement according to their own rules or regulations, except that to the extent that such rules and regulations conflict with this Act or the regulations, this Act and the regulations shall prevail".
- 2) "If funds are received from the Treasury for a specific procurement, then the corporation or other body shall be obliged to follow the procedures set out in this Act and the regulations".

13. These contracts should have obtained the approval of the National Procurement and Tender Administration Board and Cabinet, respectively (See Appendix III).

Recommendation:

The Audit Office again recommends that the Management of GWI adhere strictly to the requirements of the Procurement Act and Regulations regarding tender procedures.

Management's Response:


We have written to the National Procurement and Tender Administration Board and are awaiting their approval.

D. GENERAL

14. The Audit Office wishes to express its gratitude for the co-operation given to the staff during the audit. In keeping with the requirement of the Audit Act 2004, a reply to this report is expected within thirty (30) days of its receipt.

With kind regards.

Yours sincerely,


* *
T. Pyle
Audit Manager
For Auditor General

cc: Honorable Minister Mr. Irfan Ali - Minister of Housing & Water
Mr. E. Mc Garrell - Permanent Secretary, Ministry of Housing and Water

APPENDIX I

Cash at Bank

Bank Confirmations totalling \$467,569,932 which were not received by the AOG

No.	Bank Account #	Bank Account Name	GL Balance \$	Bank Confirmations \$	Confirmations Not Received
1	14212	CBL - Term Deposits	448,857,142	441,558,649	
2	T1EA116453	GBTI - Investments	37,183	37,183	
3	132-019-1	RBL - BCM	439,389	439,389	
4	SEP 11499	NBS - Term Deposits	246,380,528	246,186,528	
5	118036874	CBL - Operating A/c	33,232,872	33,232,871	
6	401-690-3	DBL - Saving A/c	311,702	311,702	
7	2160579018	GBTI - Bill Payment	2,044,583	2,044,583	
8	800-008-1	RBL - Bill Payment	19,571,660	19,571,660	
9	112581	BNS - Utility A/C	2,307,552	Not Received	2,307,552
10	688-816-8	RBL - Operating A/c	568,398,196	568,398,196	
11	001-043368013	GBTI - Operating A/c	23,317,771	23,317,771	
12	1003757015	World Bank Local	5,557,037	Not Received	5,557,037
13	163900313001	BOG Local	10,978,582	Not Received	10,978,582
14	1901-7-70900	Foreign Bank	350,902,628	Not Received	350,902,628
15	163700313007	Local Bank	1,328,040	2,299,808	
16	19015-9003	Foreign Bank LWSRP	97,804,008	Not Received	97,804,008
17	163700313008	BOG Local LWSRP	378,576	422,129	
18	1046229013	GOG Local A/c	63,007,091	70,074,961	
19	001-036329018	GBTI	20,125	Not Received	20,125
TOTAL			1,874,874,665	1,407,895,430	467,569,932

APPENDIX II

Operating Expenditure- Depreciation

Instances where depreciation charges were incorrectly calculated

No.	Description	Date of Acquisition	Est. Life	Cost \$	Audited Depreciation Amount \$	GWl Depreciation \$	Difference \$
1	Office Building - Concre	31-Dec-10	25	24,637,491.15	985,499.65	862,312.19	123,187
2	Concrete and Steel Build	31-Dec-05	25	57,979,655.64	2,319,186.23	2,251,317.76	67,868
3	2 Storey concrete buildi	31-Dec-05	25	13,980,138.00	559,205.52	838,808.28	(279,603)
4	Re-fusing/ciarifying cha	31-Dec-05	25	3,300,000.00	132,000.00	110,000.00	22,000
5	Pump House	31-Dec-08	25	50,000,000.00	2,000,000.00	1,613,310.03	386,690
6	Concrete Guard Hut	31-Dec-10	25	1,899,300.00	75,972.00	113,958.00	(37,986)
7	Fence- chainlink with me	31-Dec-08	10	26,363,000.00	2,636,300.00	1,977,225.03	659,075
8	Building - Office	13-Mar-09	25	40,190,191.00	1,607,607.64	-16,176,741.50	17,784,349
9	Building - Office	31-Dec-05	25	52,107,858.00	2,084,314.32	3,135,731.48	(1,051,417)
10	Mechanical & Electricals	31-Dec-10	10	59,905,514.83	5,990,551.48	5,979,383.02	11,168
11	All Mechanical/ Electric	31-Dec-05	10	181,564,403.00	18,156,440.30	18,145,271.85	11,168
12	Cubicle	1-Jan-07	5	4,660,464.00	932,092.80	1,466,510.53	(534,418)
13	Kilmaries Air Conditione	31-Dec-08	5	5,993,688.00	1,198,737.60	1,676,046.00	(477,308)
14	Fixtures/Furnitures & Of	31-Dec-05	7	37,582,371.07	5,368,910.15	2,128,117.75	3,240,792
15	Transmission Mains	31-Dec-05	40	551,670,400.00	13,791,760.00	16,045,787.31	(2,254,027)
16	Transmission Mains	31-Dec-08	40	983,585,892.50	24,589,647.31	30,442,970.45	(5,853,323)
17	Piping and Valves	31-Dec-08	40	73,267,700.00	,831,692.50	8,790,918.76	(1,959,226)
18	Transmission Mains	17-Jun-05	40	984,301,600.00	24,607,540.00	23,437,149.31	1,170,391
19	Transmission Mains	31-Dec-05	40	693,006,684.00	17,325,167.10	17,409,777.77	(84,611)
20	Deff Power Connect netwo	31-Mar-09	3	1,113,386.48	371,128.83	278,346.62	92,782
TOTALS				4,047,109,737.67	131,563,753.43	120,526,200.64	11,037,553

APPENDIX III a**Instances where GWI Management and GWI Tender awarded contracts
Between 10M-15M**

Contract #	Contractor	Description	Contract Sum \$
GWI 2013/C521	R. Kissoon Contracting Services	Supply & Installation of 200 transmission upgrade #76	10,757,000
GWI 2013/C1512	Mascood Ahamad Construction	Transmission and distribution Rehabilitation Topoo, Region 6	11,900,000
GWI 2013/C1552	Mohamed Ahamad Construction Works	Installation of 200mm & 100mm distribution main with fittings, 100mm fittings & service connection upgrade at #9	10,994,000
GWI 2013/C1875	Bardon Construction Services Ltd	Installation of 200mm transmission mains at Edingburg to Gay Park	11,120,400
GWI 2013/C010	R.P Construction	Service connection upgrade- West Bank	14,705,500
N/S	R.P Construction	Installation of water distribution system in Kamana Re#8	10,549,600
N/S	A. Chowramootoo	Procurement of works- Drilling of Borehole and network in Woweta Reg#9	13,181,140
GWI 2013/C012	Monarch Well Drilling	Procurement of works-Drilling of Borehole and network in Rupertee Reg#9	14,441,500
GWI 2013/C004	R. Kissoon Contracting Services	Procurement of works for the remedial works to Kwakwani water supply Lot1 and service connections	12,718,750