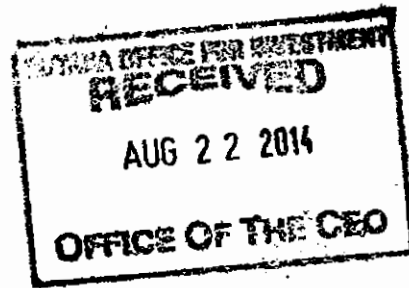


**AUDITED FINANCIAL STATEMENTS OF THE
GUYANA OFFICE FOR INVESTMENT**



**FOR THE YEAR ENDED
31 DECEMBER 2013**

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

AUDIT OF THE FINANCIAL STATEMENTS OF THE
GUYANA OFFICE FOR INVESTMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

TABLE OF CONTENTS

	PAGE
1. TRANSMITTAL LETTER	1
2. AUDITOR'S OPINION OF THE FINANCIAL STATEMENTS	2
3. AUDITED FINANCIAL STATEMENTS	4
4. MANAGEMENT LETTER	14



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>

216/PC: 56/2/2014

20 August 2014

Mr. Keith Burrows
Chief Executive Officer
Guyana Office for Investment
190 Camp & Church Street
Georgetown.

Dear Mr. Burrows,

AUDIT OF THE FINANCIAL STATEMENTS OF THE
GUYANA OFFICE FOR INVESTMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

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

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

With best regards.

Yours sincerely,





Audit Office of Guyana

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

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AG: 66 /2014

20 August 2014

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS
OF THE GUYANA OFFICE FOR INVESTMENT
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

I have audited the accompanying financial statements of Guyana Office for Investment which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.




GUYANA OFFICE FOR INVESTMENT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2013

		<u>2013</u>		RESTATED
	NOTES	\$	\$	<u>2012</u>
				\$
ASSETS				
NON-CURRENT ASSETS				
Property, Plant & Equipment	5	<u>21,885,938</u>		<u>25,115,813</u>
			21,885,938	25,115,813
CURRENT ASSETS				
Inventories		1,106,658		<u>1,135,648</u>
Accounts Receivable	6	1,918,354		<u>19,647,162</u>
Cash and Cash Equivalents	7	28,941,556		<u>33,571,932</u>
Prepayments	8	<u>744,259</u>		<u>770,158</u>
			32,710,827	55,124,900
TOTAL ASSETS			<u>54,596,765</u>	<u>80,240,713</u>
EQUITY AND LIABILITIES				
EQUITY				
Government Grants/Int'l Donations	9	15,025,658		<u>18,255,187</u>
Accumulated Surplus/(Deficit)	10	<u>30,913,211</u>		<u>31,351,015</u>
			45,938,869	49,606,202
CURRENT LIABILITIES				
Accounts Payable		3,960,435		<u>6,210</u>
Provision for Accrued Expenses	11	<u>4,697,461</u>		<u>30,628,301</u>
			8,657,896	30,634,511
TOTAL EQUITY AND LIABILITIES			<u>54,596,765</u>	<u>80,240,713</u>

These Financial Statements were approved by the Board of Directors on 15 July, 2014 and signed on its behalf by:


Mrs. Roxanne Sumner
Officer-in-Charge (ag)


Mr. Keith Burrowes
CEO/Chairman



**GUYANA OFFICE FOR INVESTMENT
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2013**

	NOTES	2013		RESTATED 2012
		\$	\$	\$
INCOME				
Government - Current Subventions	12	108,363,000		106,937,000
Other Income		9,237,160		3,136,108
Deferred Income		3,920,380		3,555,965
			121,520,540	113,629,073
EXPENDITURE				
Employment Costs	13	43,093,802		43,205,924
Materials, Equipment & Supplies	14	6,555,894		8,635,656
Fuel & Lubricants		1,777,284		2,234,846
Maintenance of Building	15	7,904,575		5,184,345
Transport, Travel & Subsistence	16	2,875,529		6,928,776
Utility Charges	17	5,956,310		5,973,423
Other Services Purchased	18	47,007,841		32,813,080
Training		410,568		0
Other Miscellaneous	19	2,453,740		1,724,312
Depreciation/Amortization		3,920,380		3,542,060
Loss on Foreign Currency Exchange		2,421		0
			121,958,344	110,242,422
SURPLUS/(DEFICIT)			(437,804)	3,386,651

The accompanying notes form an integral part of these Financial Statements.



**GUYANA OFFICE FOR INVESTMENT
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 DECEMBER, 2013**

	Government Contribution & Donations	Retained Earnings	Total
	G\$	G\$	G\$
Balance as at 31 December, 2011	14,561,397	27,964,364	14,561,397
Capital Supplementary for the year	7,215,392	0	7,215,392
Refunds	(180,637)	0	(180,637)
Transfer of funds for Capital Expenditure	0	0	0
Amortization - Plant & Equipment	(3,340,965)	0	(3,340,965)
Surplus/(Deficit) for the year	0	3,386,651	0
Balance as at 31 December, 2012	<u>18,255,187</u>	<u>31,351,015</u>	<u>49,606,202</u>
Capital Supplementary for the year	6,616,670	0	6,616,670
Refunds	0	0	0
Transfer of funds for Capital Expenditure	(5,925,819)	0	(5,925,819)
Amortization - Plant & Equipment	(3,920,380)	0	(3,920,380)
Surplus/(Deficit) for the year	0	(437,804)	(437,804)
Balance as at 31 December, 2013	<u>15,025,658</u>	<u>30,913,211</u>	<u>45,938,869</u>



GUYANA OFFICE FOR INVESTMENT
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER, 2013

	<u>2013</u>	<u>RESTATED</u>
	\$	2012
		\$
Operating Activities		
Surplus/Deficit	(437,804)	3,386,651
Adjustments for:		
Depreciation & Amortisation	3,920,380	3,542,060
Taxation	0	0
Operating profit before working capital changes	<u>3,482,576</u>	<u>6,928,711</u>
(Increase)/Decrease in Inventories	28,990	(166,671)
(Increase)/Decrease in Accounts Receivable	17,728,808	(16,472,630)
(Increase)/Decrease in Prepayments	25,899	(19,933)
Increase/(Decrease) in Accounts Payable	3,954,225	0
Increase/(Decrease) in Provision for Accrued Expenses	(25,930,840)	30,628,301
Net cashflow generated from operations	<u>(710,342)</u>	<u>20,897,778</u>
Investing Activities		
Additions (Donations) to Non-Current Assets	0	316,392
Purchase of Non-Current Assets	(690,505)	(6,934,455)
Net cashflow generated from investing activities	<u>(690,505)</u>	<u>(6,618,063)</u>
Financing Activities		
Government Grants/Int'l Donations	6,616,670	6,899,000
Amortisation of Grants	(3,920,380)	(3,340,965)
Transfer of Funds for Capital Expenses	(5,925,819)	
Refund of Subventions	0	(180,637)
Net cashflow generated from financing activities	<u>(3,229,529)</u>	<u>3,377,398</u>
Cash and cash equivalents at the beginning of year	33,571,932	15,914,819
Net Increase (Decrease) in cash and cash equivalents	<u>(4,630,376)</u>	<u>17,657,113</u>
Cash and cash equivalents at end of year	<u><u>28,941,556</u></u>	<u><u>33,571,932</u></u>



**GUYANA OFFICE FOR INVESTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2013**

1. BACKGROUND

The Guyana Office for Investment (GO-INVEST), is a semi-autonomous agency that was established in 1994 by an Act of Parliament: The Public Corporations Act No. of 1988. Its mission is to contribute to Guyana's economic development, by promoting and facilitating local and foreign private sector investment and exports in accordance with the country's approved investment and export strategies. GO-INVEST falls under the direct purview of the Office of the President.

2. BASIS OF PREPARATION

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) except where specifically stated and are presented in Guyana Dollars.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements of GO-INVEST are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

(a) Basis of Accounting

The accounts are prepared under the historical cost convention and modified to include the revaluation of assets where necessary.

(b) Property, Plant & Equipment

Equipment with a cost of \$50,000 or more per unit and a useful life of 1 year or more at full cost are capitalised. Items not meeting the capitalization criteria when purchased are expensed out.

The carrying amount of Plant & Equipment is arrived at using the Cost model. An asset is depreciated over its estimated useful life using the reducing balance basis. The principal annual rates applied are:

Motor Vehicles	25%
Office Furniture and Equipment: Electrical items	15%
Office Furniture and Equipment: Non-electrical items	10%

(c) Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is arrived at using the first-in, first-out method.



**GUYANA OFFICE FOR INVESTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2013**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Government Grant

A Government Grant is recognised only when there is reasonable assurance that the grant will be received and any conditions attached to it will be complied with. The grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses, the related costs for which the grants are intended to compensate.

Grants used for the acquisition or improvement of non-current assets are presented in the Statement of Financial Position at the carrying amount. The carrying amount for items of Plant & Equipment is arrived at by setting up the grant as deferred income and amortising same over the expected useful life of the assets. Funds expended to make improvements to the property are treated as 'Other Income' and the related costs expensed in the period in which they were incurred since the property is not owned by GO-INVEST.

Grants received for immediate financial support, with no future related costs, are recognised in the Statement of Comprehensive Income as 'Income - Current Subventions' in the period in which they are received and alternatively, are deducted as 'Expenditure' in reporting the related expenses.

(d) Income and Expenditure Recognition

Income and expenditure are recognised on an accrual basis.

(e) Foreign Currency Transactions

Transaction in currencies other than Guyana dollars are translated to the Guyana dollar equivalent at the rates of exchange ruling at the dates of such transactions. Monetary assets and/or liabilities that are denominated in foreign currencies are translated to the Guyana dollar at the foreign exchange rates prevailing on the reporting date.

Where available, official rates from the Bank of Guyana are used to convert foreign currencies to local dollars. In the absence of official rates, an average based on cambio exchange rates is used.

Gains and losses arising from the translation of foreign currencies are included in the statement of comprehensive income.



GUYANA OFFICE FOR INVESTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2013

4. **KEY MANAGEMENT PERSONNEL & DIRECTORS REMUNERATION**

Key Management Personnel: The sum of \$9,257,608. was paid to three (3) key management employees for the year 2013.

Board of Directors: The Board of Directors comprises of representatives from the Public and Private Sectors. Names of representatives and their emoluments for the year 2013 were as follows:

<u>Name</u>	<u>Designation</u>	<u>Amount</u>
1. Mr. Keith Burrowes	Chairman	\$60,000
2. Mr. Michael Hutson	Member	\$48,000
3. Ms. Hema Khan	Member	\$48,000
4. Ms. Manjuela Brijmohan	Member	\$48,000
5. Mr. Derrick Cummings	Member	\$48,000
6. Ms. Susette Dalton	Member	\$6,000
Total		<u>\$258,000</u>

5. **PROPERTY, PLANT & EQUIPMENT** — \$21,885,938

Particulars	Motor Vehicles	Office Furniture & Equipment	Total
	\$	\$	\$
Net Book Value as at 31/12/2012	2,413,132	22,702,681	25,115,813
add Acquisitions for 2013	0	0	0
add Purchases for 2013	0	690,505	690,505
	2,413,132	23,393,186	25,806,318
less Disposals for 2013	0	0	0
	2,413,132	23,393,186	25,806,318
less Dep'n/Amort. for 2013	603,283	3,317,097	3,920,380
Net Book Value as at 31/12/2013	1,809,849	20,076,089	21,885,938



GUYANA OFFICE FOR INVESTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2013

	<u>2013</u>	<u>2012</u>
	\$	\$
6. <u>ACCOUNTS RECEIVABLE — \$1,918,354.</u>		
47/007 Sundry Receivables	442,023	792,466
47/010 Debtors - Advance for Expenditure	115,028	17,489,000
47/011 Advance for Foreign Currency	1,361,303	1,365,696
	<u>1,918,354</u>	<u>19,647,162</u>
7. <u>CASH AND CASH EQUIVALENTS — \$28,941,556.</u>		
47/003 Cash at Bank	28,581,611	33,445,252
47/005 Foreign Currency Float - USD	175,910	0
47/005a Foreign Currency Float - Other Currencies*	149,035	91,680
47/006 Petty Cash	35,000	35,000
	<u>28,941,556</u>	<u>33,571,932</u>
8. <u>PREPAYMENTS — \$744,259.</u>		
47/008 Insurance for vehicles	363,283	386,682
▪ Insurance for building	265,736	265,736
▪ Renewal of newspapers subscription	115,240	115,240
▪ Website	0	2,500
	<u>744,259</u>	<u>770,158</u>
9. <u>GOVERNMENT GRANTS/INT'L DONATIONS — \$15,025,658.</u>		
This amount represents the amounts received from the Ministry of Finance through the Office of the President for capital works and donations received from International Agencies. Details are as follows:		
Total Capital Subventions	31,206,516	30,696,302
Less Refunds to Ministry of Finance	0	(180,637)
	<u>31,206,516</u>	<u>30,515,665</u>
Add Contributions/Donations	30,293,706	30,293,706
	<u>61,500,222</u>	<u>60,809,371</u>
Less Accumulated Amortization	(46,474,564)	(42,554,184)
	<u>15,025,658</u>	<u>18,255,187</u>



GUYANA OFFICE FOR INVESTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2013

10. ACCUMULATED SURPLUS/DEFICIT -- \$30,913,211.

Amounts were retained and transferred to the Statement of Financial Position with effect from the year 2006. Previously, unspent balances on subventions were refunded to the Ministry of Finance.

	<u>2013</u>	<u>2012</u>
	\$	\$
11. <u>PROVISION FOR ACCRUED EXPENSES -- \$4,697,461.</u>		
Balance brought forward	30,628,301	0
Payments made	(26,608,033)	0
Balance available	4,020,268	0
Provision for the year	677,193	30,628,301
Balance at the end of the year	<u>4,697,461</u>	<u>30,628,301</u>

12. GOVERNMENT OF GUYANA SUBVENTIONS:CURRENT -- \$108,363,000.

This amount represents the annual subventions for current expenditure received from the Ministry of Finance through the Office of the President to meet operational costs.

13. EMPLOYMENT COSTS -- \$43,093,802

0015	Revision of Wages & Salaries	0	0
6111	Administrative	3,998,532	3,998,522
6112	Senior Technical	14,678,117	15,951,113
6113	Other Technical & Craft Skilled	1,964,316	1,964,315
6114	Clerical & Office Support	3,388,516	3,200,483
6115	Semi-skilled & Unskilled	1,900,512	925,127
6117	Temporary Employees	2,116,171	2,575,751
6131	Other Direct Labour Cost	4,019,141	1,944,164
6133	Benefits & Allowances	6,452,453	8,592,087
6134	National Insurance	1,918,739	1,685,455
6135	Pensions	2,657,305	2,368,907
		<u>43,093,802</u>	<u>43,205,924</u>



GUYANA OFFICE FOR INVESTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2013

9

	<u>2013</u>	<u>2012</u>
	\$	\$
14. <u>MATERIALS, EQUIPMENT & SUPPLIES — \$6,555,894.</u>		
6221 Drugs & Medicals Supplies	65,327	60,937
6223 Office Material & Supplies	4,933,451	5,039,667
6224 Print & Non-Print Materials	1,557,116	3,535,052
	<u>6,555,894</u>	<u>8,635,656</u>
15. <u>MAINTENANCE OF BUILDING — \$7,904,575.</u>		
6242 Maintenance of Building	1,651,532	4,978,915
6243 Janitorial & Cleaning Supplies	327,224	205,430
47/002(c) Other Capital Expenditure	5,925,819	0
	<u>7,904,575</u>	<u>5,184,345</u>
16. <u>TRANSPORT, TRAVEL & SERVICES — \$2,875,529.</u>		
6261 Local Travel & Subsistence	1,070,957	4,238,655
6263 Postage, Telex & Cablegram	38,219	40,711
6264 Vehicle Spares & Services	1,766,353	2,649,410
	<u>2,875,529</u>	<u>6,928,776</u>
17. <u>UTILITY CHARGES — \$5,956,310.</u>		
6271 Telephone Charges	1,573,871	1,633,681
6272 Electricity Charges	4,289,012	4,142,601
6273 Water Charges	93,427	197,141
	<u>5,956,310</u>	<u>5,973,423</u>
18. <u>OTHER SERVICES — \$47,007,841.</u>		
6281 Security Services	5,051,288	4,225,416
6282 Equipment Maintenance	1,203,400	1,850,980
6283 Cleaning & Extermination Services	845,628	2,982,452
6284 Other Services Purchased	39,907,525	23,754,232
	<u>47,007,841</u>	<u>32,813,080</u>
19. <u>MISCELLANEOUS — \$2,453,740.</u>		
6291 National & Other Events	165,969	89,167
6293 Refreshments and Meals	541,804	344,862
6294 Other Charges	1,745,967	1,290,283
	<u>2,453,740</u>	<u>1,724,312</u>



Audit Office of Guyana

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150 /PC: 56/2/2014

20 August 2014

Mr. Keith Burrowes
Chief Executive Officer
Guyana Office for Investment
190 Camp & Church Street
Georgetown.

Dear Mr. Burrowes,

**AUDIT OF THE FINANCIAL STATEMENTS OF THE
GUYANA OFFICE FOR INVESTMENT (GO-INVEST)
FOR THE YEAR ENDED 31 DECEMBER 2013**

Following the audit of the financial statements of the Guyana Office for Investment, for the year ended 31 December 2013, the findings hereunder were discussed with the accounting personnel within your organization 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 of material misstatements.

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

- (i) The financial statements have been properly prepared, in accordance with applicable law, and properly present the operations and affairs of the Commission;
- (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 are maintained, and the internal management controls and rules and procedures established and applied are sufficient to safeguard the control of stores and other property.

FINDINGS AND RECOMMENDATIONS

A. STATEMENT OF COMPREHENSIVE INCOME

Employment Cost: \$ 43,093,802

4. Audit Examination of payroll and personnel files for the period reviewed revealed an employee who joined on the 1 January 2013 received a gross salary of \$562,452 for the entire year. However, employee and employer's National Insurance Scheme (NIS) totalling \$31,497 and \$40,497 respectively were not deducted for the period 2013. (See appendix 1). Also, it was observed that this officer was not registered with the Scheme for the period reviewed. It should be noted that deduction for and registration with the Scheme has implications for social security benefits. As a result, the NIS contributions would have been understated for the year in review.

Recommendation:

The Audit Office recommends that the Management of the Investment ensure that all statutory deductions are deducted and paid over in a timely manner.

Management's Response:

This was an oversight and deductions commenced in 2014 for this officer.

B. GENERAL

5. The Audit Office wishes to express its gratitude for the co-operation given to its officers during the course of the audit. In keeping with the Audit Office's policy, a reply is expected within thirty (30) days of the receipt of this Management letter.

With kind regards.

Yours sincerely

