

**AUDITED FINANCIAL STATEMENTS OF THE  
MATHEWS RIDGE POWER AND LIGHT COMPANY INC.**

**FOR THE YEAR ENDED  
31 DECEMBER 2014**

**AUDITORS: 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: 28/2015

21 April 2015

REPORT OF THE AUDITOR GENERAL  
TO THE MEMBERS OF THE BOARD OF  
MATTHEWS RIDGE POWER AND LIGHT INCORPORATED  
ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

I have audited the accompanying financial statements of Matthews Ridge Power and Light Incorporated (MRPLI), which comprise the statement of financial position as at 31 December 2014, 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*

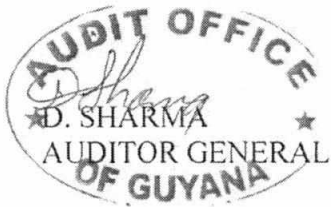
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organization of Supreme Audit Institutions (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 fair and true view, in all material respects, of the financial position of Matthews Ridge Power and Light Incorporated (MRPLI) as at 31 December 2014, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

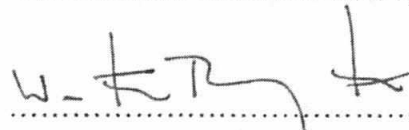


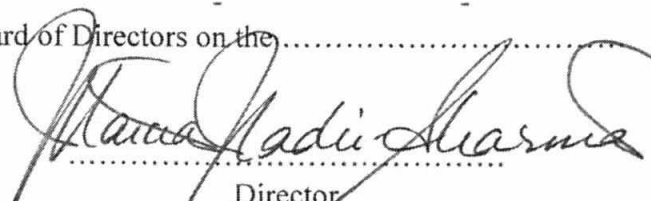
AUDIT OFFICE  
63 HIGH STREET  
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GUYANA

**MATTHEWS RIDGE POWER & LIGHT INCORPORATED**  
**(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL**  
**INVESTMENTS LIMITED)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2014**

ASSETS	Notes	2014 GS	2013 GS	2012 GS
<b>Non - Current Assets</b>				
Tangible Non - Current Assets	6	60,370,295	48,934,975	39,108,575
<b>Total Non - Current Assets</b>		<b>60,370,295</b>	<b>48,934,975</b>	<b>39,108,575</b>
<b>Current Assets</b>				
Cash on Hand & at Bank		12,962,677	717,437	10,804,337
Related Party	7	12,656,100	-	-
<b>Total Current Assets</b>		<b>25,618,777</b>	<b>717,437</b>	<b>10,804,337</b>
<b>TOTAL ASSETS</b>		<b>85,989,072</b>	<b>49,652,412</b>	<b>49,912,912</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital &amp; Reserves</b>				
Share Capital	8	-	-	-
Deposit On Shares	9	63,900	63,900	63,900
Retained Earnings		84,899,392	49,467,512	49,589,012
<b>Total Capital &amp; Reserves</b>		<b>84,963,292</b>	<b>49,531,412</b>	<b>49,652,912</b>
<b>Current Liabilities</b>				
Related Party	10	2,500	121,000	260,000
Accounts Payables		1,023,280	-	-
<b>Total Current Liabilities</b>		<b>1,025,780</b>	<b>121,000</b>	<b>260,000</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>85,989,072</b>	<b>49,652,412</b>	<b>49,912,912</b>

The Financial Statements were approved by the Board of Directors on the .....

  
.....  
Director

  
.....  
Director

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

**MATTHEWS RIDGE POWER & LIGHT INCORPORATED**  
**(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL**  
**INVESTMENTS LIMITED)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Notes	2014 G\$	2013 G\$
		<u>                    </u>	<u>                    </u>
<b>Revenue</b>	<b>3</b>	<b>37,090,000</b>	-
<b>Generation &amp; Distribution Cost</b>	<b>4</b>	<u><b>1,298,900</b></u>	<u>-</u>
<b>Net Operating Revenues</b>		<b>35,791,100</b>	-
Administrative Expenses	5	359,220	121,500
Depreciation		-	-
<b>Profit / (Loss) for the year</b>		<u><u><b>35,431,880</b></u></u>	<u><u><b>(121,500)</b></u></u>

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

**MATTHEWS RIDGE POWER & LIGHT INCORPORATED**  
**(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL INVESTMENTS**  
**LIMITED)**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Share Capital</u> G\$	<u>Retained Earnings</u> G\$	<u>Deposit On Shares</u> G\$	<u>Total</u> G\$
<b>As at December 31, 2012</b>	-	49,589,012	63,900	49,652,912
Loss for the year	-	(121,500)	-	(121,500)
<b>Balance at 31 December 2013</b>	-	49,467,512	63,900	49,531,412
Net Profit for the year	-	35,431,880	-	35,431,880
<b>Balance at 31 December 2014</b>	-	84,899,392	63,900	84,963,292

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

**MATTHEWS RIDGE POWER & LIGHT INCORPORATED**  
**(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL INVESTMENTS LIMITED)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014 G\$	2013 G\$
<b>Operating Activities</b>		
<b>Net Profit / (Loss) for the year</b>	35,431,880	(121,500)
Adjustments for:		
Depreciation	-	-
Increase in Due from Related Party	(12,656,100)	-
Decrease in Due to Related Companies	(118,500)	(139,000)
Increase in Accounts Payables	1,023,280	
<b>Cash Generated from Operating Activities</b>	<b>23,680,560</b>	<b>(260,500)</b>
<b>Investing Activities</b>		
Purchase of Tangible Non - Current Asset	(11,435,320)	(9,826,400)
<b>Net Cash Used in Investing Activities</b>	<b>(11,435,320)</b>	<b>(9,826,400)</b>
<b>Financing Activities</b>		
Deposit on Shares	-	-
<b>Net Cash Used in Financing</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>12,245,240</b>	<b>(10,086,900)</b>
<b>Cash &amp; Cash Equivalents as at Beginning of the Period</b>	<b>717,437</b>	<b>10,804,337</b>
<b>Cash &amp; Cash Equivalents as at End of Period</b>	<b>12,962,677</b>	<b>717,437</b>

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

**MATTHEWS RIDGE POWER & LIGHT INCORPORATED**  
**(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL**  
**INVESTMENTS LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**1. Incorporation**

Matthews Ridge Power & Light Incorporated (MRPLI) was incorporated as a company under the Companies Act Chapter 89:01 on the July 12, 2011. The objectives of the company are the Generation, Transmission and Distribution of electricity within Matthews Ridge and its surrounding communities.

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

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

**(a) Accounting convention**

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

**(b) Fixed assets**

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

Buildings	2%
Furniture & Equipment	20%
Motor Vehicles	25%

Depreciation for a full year is charged in the year of acquisition. However, no depreciation is charged in the year of disposal.

**(c) Foreign currency**

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

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



**MATTHEWS RIDGE POWER & LIGHT INCORPORATED**  
**(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL**  
**INVESTMENTS LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

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

**(d) Revenue**

Revenue consists of the following:-

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

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

**(e) Inventories**

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

**(f) Expenditure**

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

**MATTHEWS RIDGE POWER & LIGHT INCORPORATED**  
**(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL**  
**INVESTMENTS LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u> <u>G\$</u>	<u>2013</u> <u>G\$</u>
<b>3 Revenue</b>		
Subvention from GOG	37,090,000	-
<b>Total Revenue</b>	<u><u>37,090,000</u></u>	<u><u>-</u></u>
<b>4 Generation &amp; Distribution Cost</b>		
Fuel & Lubricants	800,000	-
Transportation	498,900	-
<b>Total Generation &amp; Distribution Cost</b>	<u><u>1,298,900</u></u>	<u><u>-</u></u>
<b>5 Administrative Expenses</b>		
Meals & Accommodation	153,220	27,500
Bank Charges	-	3,000
Transportation	-	60,000
Travelling	206,000	31,000
<b>Total Administrative Expenses</b>	<u><u>359,220</u></u>	<u><u>121,500</u></u>

**MATTHEWS RIDGE POWER & LIGHT INCORPORATED**  
**(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL**  
**INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**6 Tangible Non - Current Assets**

	<b>2014</b>	<b>2013</b>
	<b>G\$</b>	<b>G\$</b>
<b>Work-in-Progress</b>		
As at January 1	48,934,975	39,108,575
Additions	11,435,320	9,826,400
As at December 31	<u><u>60,370,295</u></u>	<u><u>48,934,975</u></u>

**7 Due from Related Party**  
Moruca

	<u><u>12,656,100</u></u>	<u><u>-</u></u>
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**8 Share Capital**

Authorised Share Capital: 500,000

	<u><u>50,000,000</u></u>	<u><u>50,000,000</u></u>
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Issued and Fully Paid Ordinary Shares

	<u><u>-</u></u>	<u><u>-</u></u>
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**9 Deposit On Shares**

Deposit on Shares

	<u><u>63,900</u></u>	<u><u>63,900</u></u>
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This amount represents a deposit made by NICIL for issued Share Capital of MRPLI.

**10 Due to Related Parties**

Port Kaituma Power & Light Company Inc

- 60,000

NICIL

2,500 61,000

**Total Due to Related Parties**

	<u><u>2,500</u></u>	<u><u>121,000</u></u>
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**Directors**

The Directors of the company during the year January 1, 2014 - December 31, 2014 were:

- 1) Mr. Winston Brassington
- 2) Mrs. Marcia Nadir - Sharma