

**AUDITED FINANCIAL STATEMENTS OF THE
PORT KAITUMA POWER AND LIGHT COMPANY INC.**

**FOR THE YEAR ENDED
31 DECEMBER 2013**

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



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AG: 62/2015

14 July 2015

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD
ON THE FINANCIAL STATEMENTS
OF THE PORT KAITUMA POWER AND LIGHT COMPANY INC.
FOR THE YEAR ENDED 31 DECEMBER 2013

I have audited the accompanying financial statements of Port Kaituma Power and Light Company Inc. (PKPLCI), which comprise the statement of financial position as at 31 December 2013, the statement of profit and loss, 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

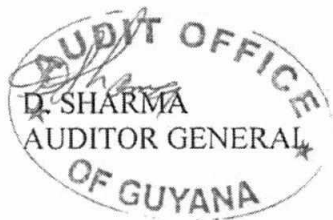
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organization of Supreme Audit Institutions (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 Port Kaituma Power and Light Company Inc. as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



AUDIT OFFICE
63 HIGH STREET
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**PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED
(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL &
COMMERCIAL INVESTMENTS LIMITED)
STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Notes	2013 G\$	2012 G\$
Revenue	3	163,000,670	130,571,520
Generation & Distribution Cost	4	119,987,387	112,383,719
Net Operating Revenues		43,013,283	18,187,801
Administrative Expenses	5	13,224,653	8,799,668
Depreciation		549,263	352,063
Profit Before Taxation		29,239,367	9,036,070
Taxation		(7,699,165)	(3,002,366)
Profit for the Year		21,540,202	6,033,704

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

PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED
(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL INVESTMENTS LIMITED)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013


	Share Capital	Deposit On Shares	Retained Earnings	Total
	G\$	G\$	G\$	G\$
Balance at December 31, 2011	-	63,900	8,307,357	8,371,257
Net Profit for the year	-	-	6,033,704	6,033,704
Balance at December 31, 2012	-	63,900	14,341,061	14,404,961
Net Profit for the year	-	-	21,540,202	21,540,202
Balance at December 31, 2013	-	63,900	35,881,263	35,945,163

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

PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED
(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL
INVESTMENTS LIMITED)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	Notes	2013 G\$	2012 G\$	2011 G\$
ASSETS				
Non - Current Assets				
Tangible Non - Current Assets	6	3,281,862	2,845,125	-
Total Non - Current Assets		3,281,862	2,845,125	-
Current Assets				
Receivables	7	19,719,700	12,534,700	-
Due From Related Party	8	60,000	260,000	-
Cash on Hand & at Bank		23,585,132	8,133,566	8,371,257
Total Current Assets		43,364,832	20,928,266	8,371,257
TOTAL ASSETS		46,646,694	23,773,391	8,371,257
EQUITY AND LIABILITIES				
Capital & Reserves				
Share Capital	9	-	-	-
Deposit on Shares	10	63,900	63,900	63,900
Retained Earnings		35,881,263	14,341,061	8,307,357
Total Capital & Reserves		35,945,163	14,404,961	8,371,257
Current Liabilities				
Payables	11	-	934,503	-
Due to Related Party	12	-	5,431,561	-
Taxation	13	10,701,531	3,002,366	-
Total Current Liabilities		10,701,531	9,368,430	-
TOTAL EQUITY AND LIABILITIES		46,646,694	23,773,391	8,371,257

The Financial Statements were approved by the Board of Directors on the 23rd June, 2015


 Director
 Date


 Director
 Date

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

PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED
(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL
INVESTMENTS LIMITED)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 G\$	2012 G\$
Cash Flow from Operating Activities		
Profit for the Year Before Taxation	29,239,367	9,036,070
Adjustments for:		
Depreciation	549,263	352,063
Increase in Receivables	(7,185,000)	(12,534,700)
(Increase) / Decrease in Due From Related Companies	200,000	(260,000)
Increase / (Decrease) in Due To Related Companies	(5,431,561)	5,431,561
Increase / (Decrease) in Payables	(934,503)	934,503
Cash Generated from Operating Activities	16,437,566	2,959,497
Cash Flow from Investing Activities		
Purchase of Tangible Non - Current Asset	(986,000)	(3,197,188)
Cash Used in Investing Activities	(986,000)	(3,197,188)
Net Increase / (Decrease) in Cash & Cash Equivalents	15,451,566	(237,691)
Cash & Cash Equivalents as at January 1	8,133,566	8,371,257
Cash & Cash Equivalents as at December 31	23,585,132	8,133,566

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

PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED
(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL
INVESTMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. Incorporation

Port Kaituma Power & Light Company Incorporated (PKPLCI) was incorporated as a company under the Companies Act Chapter 89:01 on December 1, 2010. The objectives of the company are the Generation, Transmission and Distribution of electricity within Port Kaituma and its surrounding communities.

The Company is a wholly owned subsidiary of the National Industrial & 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%
Distribution Systems	7.5%

(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.

PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED
(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL
INVESTMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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 reconignsed 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

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

PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED
(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL
INVESTMENTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> G\$	<u>2012</u> G\$
3. Revenue		
Subvention from GOG	31,455,000	15,000,000
Receipts from the Supply of Electricity	131,545,670	115,571,520
Total Revenue	<u>163,000,670</u>	<u>130,571,520</u>
4. Generation & Distribution Cost		
Fuel & Lubricants	108,951,000	102,757,900
R&M: Transmission & Distribution	957,900	4,297,660
R&M: Generators	6,739,624	4,719,759
Meters	-	84,500
Contractors	3,338,863	523,900
Total Generation & Distribution Cost	<u>119,987,387</u>	<u>112,383,719</u>
5. Administrative Expenses		
Accommodation	206,500	94,000
Bank Charges	3,000	7,000
Meals & Entertainment	258,860	232,000
General & Office Expense	417,057	401,035
Equipment Rental	280,000	18,000
R&M: Equipment	-	18,000
R&M: Buildings	-	58,000
R&M: Motor Vehicles	67,600	16,000
Travelling	2,527,220	1,529,390
Uniforms	-	15,000
Employment Cost	8,410,036	6,252,193
Sundry Tools	8,900	7,000
Cleaning & Sanitation	746,780	152,050
Donations	190,000	-
Telephone	108,700	-
Total Administrative Expenses	<u>13,224,653</u>	<u>8,799,668</u>

PORT KAITUMA POWER & LIGHT COMPANY INCORPORATED

(WHOLLY OWNED SUBSIDIARY OF NATIONAL INDUSTRIAL & COMMERCIAL INVESTMENTS LIMITED)

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

6. Tangible Non - Current Assets

	Furniture & Equipment G\$	Motor Vehicles G\$	Distribution Systems G\$	Generation Equipment G\$	Total G\$
Cost					
At January 1, 2013	58,188	600,000	2,539,000	-	3,197,188
Additions	-	-	-	986,000	986,000
At December 31, 2013	58,188	600,000	2,539,000	986,000	4,183,188
Depreciation					
At January 1, 2013	11,638	150,000	190,425	-	352,063
Charge for the Year	11,638	150,000	190,425	197,200	549,263
At December 31, 2013	23,276	300,000	380,850	197,200	901,326
Net Book Value:					
At December 31, 2012	46,550	450,000	2,348,575	-	2,845,125
At December 31, 2013	34,912	300,000	2,158,150	788,800	3,281,862

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

	<u>2013</u> <u>G\$</u>	<u>2012</u> <u>G\$</u>
7. Receivables		
Due From Customers	19,589,700	12,534,700
Staff Advances	130,000	-
Total Receivables	<u><u>19,719,700</u></u>	<u><u>12,534,700</u></u>
8. Due from Related Companies		
Mathews Ridge Power & Light Company Inc	60,000	260,000
Total Due from Related Companies	<u><u>60,000</u></u>	<u><u>260,000</u></u>
9. Share Capital		
Authorised Share Capital: 5,000 Ordinary Shares at G\$100 each	<u><u>500,000</u></u>	<u><u>500,000</u></u>
10. Deposit On Shares		
Deposit on Shares	<u><u>63,900</u></u>	<u><u>63,900</u></u>
This amount represents a deposit made by NICIL for issued Share Capital of PKPLCI.		
11. Payables		
Trade Payables	-	934,503
Total Payables	<u><u>-</u></u>	<u><u>934,503</u></u>

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

	<u>2013</u> <u>G\$</u>	<u>2012</u> <u>G\$</u>
12. Due To Related Companies		
NICIL	-	5,431,561
Total Due To Related Companies	<u>-</u>	<u>5,431,561</u>
13. Taxation		
2011 (Corporation Tax)	59,477	59,477
2011 (Property Tax)	39,034	39,034
2012 (Corporation Tax)	2,799,337	2,799,337
2012 (Property Tax)	104,518	104,518
2013 (Corporation Tax)	7,409,595	-
2013 (Property Tax)	289,570	-
Total Taxation	<u>10,701,531</u>	<u>3,002,366</u>

14. Key Management Personnel

The Company's key management personnel comprise its Directors, Chief Executive Officer and its Managers. The remuneration paid to key management personnel during the year was as follows:

Short - term benefits	<u>-</u>	<u>2,260,000</u>
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15. Directors Fees

No fees were paid to member of the Board of Directors in relation to services provided during the year ended December 31, 2013.