

**AUDITED FINANCIAL STATEMENTS OF THE
CENTRAL HOUSING AND PLANNING AUTHORITY**

**FOR THE YEAR ENDED
31 DECEMBER 2014**

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

AUDITED FINANCIAL STATEMENTS OF THE
CENTRAL HOUSING AND PLANNING AUTHORITY
FOR THE YEAR ENDED 31 DECEMBER 2014

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AG: 44/2015

30 April 2015

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS
OF THE CENTRAL HOUSING AND PLANNING AUTHORITY
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

I have audited the accompanying financial statements of Central Housing and Planning Authority, 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

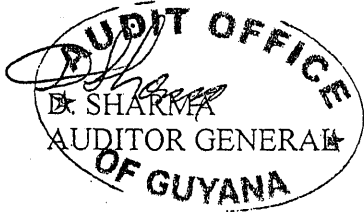
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organization of Supreme Audit Institutions (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 judgment, 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 the 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 Central Housing and Planning Authority 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.




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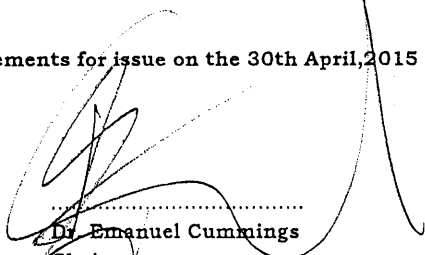
CENTRAL HOUSING AND PLANNING AUTHORITY

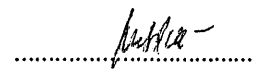
**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2014**

	<u>Notes</u>	<u>2014</u> <u>G\$000</u>	<u>2013</u> <u>G\$000</u>
Assets			
Non-Current			
Fixed Assets	3	110,964	66,342
Investments	4	<u>4,536,426</u>	<u>2,690,194</u>
		4,647,390	2,756,536
Infrastructural Works			
Land for Development	5	4,500,000	5,000,000
Housing Infrastructure Projects	6	739,319	905,362
Capital Funded Projects	7	<u>2,277,212</u>	<u>2,602,526</u>
		7,516,531	8,507,888
		<u>12,163,921</u>	<u>11,264,424</u>
Current Assets			
Closing Stock	8	21,759	-
Work In Progress	9	317,756	-
Revolving Fund Loan	10	2,165,418	2,142,358
Debtors & Prepayments	11	5,521	1,229
Bank & Cash Balances	12	<u>621,718</u>	<u>2,324,493</u>
		3,132,172	4,468,080
		<u>15,296,093</u>	<u>15,732,504</u>
Total Assets			
Equity & Liabilities			
Capital & Reserves			
MOF Contributions - Capital Projects		9,064,627	9,889,942
MOF Contributions - Low Income Houses		50,000	50,000
MOF Contribution - Low Income Revolving Loan		2,000,000	2,000,000
Accumulated Surplus		<u>3,868,530</u>	<u>3,492,775</u>
		14,983,157	15,432,717
Non-Current Liabilities			
Deferred Income	13	9,676	14,676
Long Term Liabilities (GOG/VIF H/F)	14	287,310	285,111
Creditors	15	<u>15,950</u>	<u>-</u>
		312,936	299,787
		<u>15,296,093</u>	<u>15,732,504</u>
Total Equity & Liabilities			

The Board of Directors approved these Financial Statements for issue on the 30th April, 2015


.....
Taslim Baksh
Director of Finance


.....
Dr Emanuel Cummings
Chairman
Board of Directors


.....
Merna Pitt
Chief Executive Officer

CENTRAL HOUSING &
PLANNING AUTHORITY

Director of Finance

The notes on pages 7 to 11 form an integral part of these Financial Statements.

Date: 30/04/15

Date: 2015/04/30

CENTRAL HOUSING AND PLANNING AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 31 DECEMBER, 2014

	<u>2014</u>		<u>2013</u>	
	G\$000	G\$000	G\$000	G\$000
<u>INCOME</u>				
Sale of Land		3,622,403		2,699,877
Rental		1,943		658
Building Application Fees		15,830		14,718
Interest on Current Account		727		-
Bank Interest		112,556		113,171
Transport Processing Fees		27,779		27,816
Subsidy from MOF		150,000		150,000
Sale of Application Forms		2,500		4,700
Sale of Low Income Houses		279,500		191,300
Survey Fees		7,416		7,148
Other Income		11,690		25,347
Deferred Income		5,000		5,960
Profit from Sale of Motor Vehicles		-		710
Infrastructure Projects - GoG		<u>3,975,315</u>		<u>3,955,634</u>
		<u>8,212,658</u>		<u>7,197,038</u>
<u>EXPENDITURE</u>				
Housing Fund Projects	3,085,239		2,159,208	
GoG Housing Projects	3,150,000		1,900,000	
Urban/Miscellaneous Roads Project	-		12,604	
Housing Infrastructure Projects	-		1,230,319	
Cost of Land	500,000		500,000	
Employment Costs	329,217		290,868	
Repairs & Maintenance	9,392		9,299	
Advertisement	6,219		4,948	
Legal Fees	10,706		28,114	
Security	13,107		16,425	
Utilities	29,358		20,803	
Travelling & Subsistence	29,486		40,582	
Fuel & Lubricants	10,038		9,997	
Board Expenses	2,836		2,554	
Depreciation	28,847		19,546	
Office Materials & Supplies	20,584		30,542	
Finance Charges	1,131		614	
Other Administrative Expenses	38,413		39,793	
Refunds to Allottees	44,612		52,516	
Withholding Tax	8,532		13,257	
Loss of Sale of Motor Vehicles	2,037		-	
Expenditure on Low Income Houses	25,793		241,455	
Expenditure on GoG Special Projects	166,043		-	
Expenditure on Existing Housing Scheme	325,315	<u>7,836,903</u>	325,315	<u>6,948,758</u>
Surplus for the Year		<u>375,755</u>		<u>248,280</u>

The notes on pages 7 to 11 form an integral part of these Financial Statements.

CENTRAL HOUSING AND PLANNING AUTHORITY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014		2013	
	<u>G\$000</u>	<u>G\$000</u>	<u>G\$000</u>	<u>G\$000</u>
<u>Operating Activities</u>				
Operating (Deficit)/Surplus		375,755		248,280
Interest Received		(113,283)		(113,171)
Loss on Disposal		2,037		
Depreciation		28,846		19,546
(Increase)/Decrease in Debtors and Prepayments		(4,292)		(229)
(Increase)/Decrease in Work In Progress		(317,756)		
(Increase)/Decrease in Stock		(21,759)		
Increase/(Decrease) in Creditors		15,950		
Contribution from Govt - Current Subsidy		<u>(150,000)</u>		<u>(150,000)</u>
Cash (Outflow)/ Inflow from Operating Activities		<u>(184,502)</u>		<u>4,426</u>
<u>Returns from Investments</u>				
Interest Received		113,283		113,171
<u>Investing Activities</u>				
Infrastructural Works	991,357		2,029,883	
Proceeds on sale of motor vehicle	1,330			
Movement in Fixed Assets	(76,836)		(21,747)	
Revolving Fund Loan	(23,060)		(26,813)	
Fixed Deposits	<u>(1,846,232)</u>		<u>253,935</u>	
Net Cash Flow from Investing Activities		<u>(953,441)</u>		<u>2,235,258</u>
Net Cash Outflow before Financing				<u>2,352,855</u>
<u>Financing Activities</u>				
Long Term Liabilities (GOG/VIF/H/F)	2,199		2,364	
Deferred Income	(5,000)		(5,960)	
MOF Contributions - Capital Projects	(825,315)		(2,055,633)	
Contribution from Govt - Current Subsidy	<u>150,000</u>		<u>150,000</u>	
Net Cash Inflow from Financing Activities		<u>(678,116)</u>		<u>(1,909,229)</u>
Decrease Cash & Cash Equivalent		<u>(1,702,776)</u>		<u>443,626</u>
Opening Balance		<u>2,324,494</u>		<u>1,880,868</u>
Cash & Bank Balance		<u>621,718</u>		<u>2,324,494</u>

The notes on pages 7 to 11 form an integral part of these Financial Statements.

CENTRAL HOUSING AND PLANNING AUTHORITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Retained Earnings	MOF Contribution Capital Projects	MOF Contribution Low Income Houses	MOF Contribution Low Income Revolving Fund
	G\$000	G\$000	G\$000	G\$000
Balance as at 1st January,2013	3,244,495	11,945,575	50,000	2,000,000
Movements in 2013		(2,055,633)	-	-
(Deficit) / Surplus for the year	248,280			
Balance as at 31st December,2013	3,492,775	9,889,942	50,000	2,000,000
Balance as at 1st January,2014	3,492,775	9,889,942	50,000	2,000,000
Movements in 2014		(825,315)	-	-
(Deficit) / Surplus for the year	375,755			
Balance as at 31st December,2014	3,868,530	9,064,627	50,000	2,000,000

The notes on pages 7 to 11 form an integral part of these Financial Statements.

CENTRAL HOUSING AND PLANNING AUTHORITY

NOTES TO THE FINANCIAL STATEMENT

AS AT 31 DECEMBER 2014

1. Background of Entity

The Central Housing and Planning Authority (CH&PA), was established in 1948, vide the Housing Act, Chapter 36:20, to address the housing needs of the citizens of Guyana. The Agency, which is under the purview of the Ministry of Housing and Water, has the following primary objectives:

1. Divestment of Government land to eligible Guyanese for residential use.
2. Development of housing schemes and regularization and upgrade of squatter settlements.
3. Orderly and progressive development of Land, Cities, Towns, Urban and Rural areas.
4. Granting security of tenure, (Transports and Certificates of Title to Land).
5. Preparation of development plans for urban centers.
6. Provision of services (access roads, internal road networks, water distribution networks, drainage, electricity).
7. Collaboration with stakeholders for the development of sustainable communities.

2. Basis of Accounting

The Financial Statement has been prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in Guyana Dollars. These financial statements have been prepared on an accrual basis.

3. Fixed Assets

Fixed Assets of the Authority are stated at cost less accumulate depreciation. Depreciation on fixed assets is calculated on a straight line basis. Depreciation rates are as follows:

Motor Vehicles - 20%

Fixtures - 20%

Equipment - 20%

	Motor Vehicles G\$000	Fixtures G\$000	Equipment G\$000	Total G\$000
<i>Cost / Valuation</i>				
Balance January 1, 2014	52,356	46,683	54,970	154,009
Additions - 2014	52,759	9,312	14,765	76,836
Disposals - 2014	(8,200)	-	-	(8,200)
Balance December 31, 2014	96,915	55,995	69,735	222,645
<i>Depreciation</i>				
Accumulated to January 1, 2014	20,895	34,181	32,591	87,667
Charges for the Year - 2014	14,561	6,705	7,581	28,847
Written	(4,833)	-	-	(4,833)
Accumulated to December 31, 2014	30,623	40,886	40,172	111,681
Net Book Value - DececeMBER 31, 2014	66,292	15,109	29,563	110,964
Net Book Value - DececeMBER 31, 2013	31,461	12,502	22,379	66,342

4. Investments

Investments represents surplus funds invested in a mix of fixed deposit accounts and savings accounts at commercial bank and the amount shown in the Statement of Financial Position represents the balances in the said accounts as at 31/12/2014.

	<u>2014</u>	<u>2013</u>
	G\$000	G\$000
Demerara Bank	3,215,647	1,196,360
Republic Bank Ltd.	19,992	219,184
Citizens Bank Fixed Deposit Account	800,787	774,650
GBTI	500,000	500,000
Total	<u><u>4,536,426</u></u>	<u><u>2,690,194</u></u>

5. Land for Development

Land for Development represents land purchased from GUYSUCO for housing development and is shown at cost in the Statement of Financial position.

	<u>2014</u>	<u>2013</u>
	G\$000	G\$000
Opening Balance	5,000,000	5,500,000
Written off to Statement of Income and Expenditure	(500,000)	(500,000)
Closing Balance	<u><u>4,500,000</u></u>	<u><u>5,000,000</u></u>

6. Housing Infrastructure Projects

In 2010 and 2012 the Authority received G\$4.730B and G\$1.5B, respectively as subvention from the Government of Guyana for infrastructural development in the housing sector. The G\$905.3M represents the balance remaining to be spent from the said subventions as at 31/12/2014

	<u>2014</u>	<u>2013</u>
	G\$000	G\$000
Opening Balance	905,362	2,109,930
Bank Interest Earned	-	25,751
Transferred to Statement to Income and Expenditure	(166,043)	(1,230,319)
Closing Balance	<u><u>739,319</u></u>	<u><u>905,362</u></u>

7. Capital Funded Projects

The G\$3.253B represents subvention received from the government over the years for Capital Infrastructural Works. This amount will be written off to the Statement of Income and Expenditure over a ten years period.

	<u>2014</u>	<u>2013</u>
	G\$000	G\$000
Opening Balance	2,602,526	2,927,841
Written off to Statement of Income and Expenditure	(325,315)	(325,315)
Closing Balance	<u><u>2,277,211</u></u>	<u><u>2,602,526</u></u>

8. Closing Stock

Closing stock relates to inventory held as at 31st December,2014 for the 1000 Homes Project Storage at Perseverance,EBD. Closing Stock is stated at lower of cost or net realizable value in accordance with IAS 2.

	2014	2013
	G\$000	G\$000
Closing Stock	21,759	-
Closing Balance	21,759	-

9. Work In Progress

Work In Progress stated in the Statement of Financial Position is calculated in accordance with IAS 2 and represents all directly attributable cost incurred as at 31/12/2014 in the construction of houses in the 1000 Homes Project at Perseverance,EBD.

WIP Valuation

	2014	2013
	G\$000	G\$000
Purchases	232,053	-
Less:Closing Inventory	21,759	-
Less:Prepayments	4,520	-
Cost of Inventory used in construction of houses	205,773	-
Plus: Labour cost	79,172	-
Plus: Employment Cost	15,993	-
Plus: Fuel	2,566	-
Plus: Misc Cost	14,252	-
Total Work In Progress	317,756	-

10. Revolving Fund Loan

Subvention of G\$2.0B received from the Government of Guyana for the establishment of a low income revolving fund loan facility. This amount is shown in the Statement of Financial Position plus bank interest earned to date.

	2014	2013
	G\$000	G\$000
Opening Balance	2,142,357	2,115,545
Interest Earned	23,061	26,812
Closing Balance	2,165,418	2,142,357

11. Debtors & Prepayments

	2014	2013
	G\$000	G\$000
Deposit - GPL	1,000	1,000
Debtors	-	229
Prepayments - 1000 Homes Project	4,520	-
Closing Balance	5,520	1,229

12. Bank & Cash Balances

	2014	2013
	G\$000	G\$000
Citizens Bank Current Account	283,985	78,255
RBL Current Account	19,066	479,061
NBIC GOG/VIF Account	46,216	43,770
RBL GoG Capital Account	5,186	5,190
Citizens Bank Revolving Fund Account	34,261	150,237
GBTI Current Account	27,666	24,996
Citizens Bank Savings	2,168	51,884
GBTI Savings Account	202,885	1,490,815
Petty Cash Account	265	265
Stamp Imprest	20	20
Total	<u>621,718</u>	<u>2,324,493</u>

13. Deferred Income

The Deferred Income in the Statement of Financial Position as at 31/12/2013 is in relation to Motor Vehicles that were transferred to the Authority during the year. The said Motor Vehicles were valued and brought into the accounts of the Authority.

	2014	2013
	G\$000	G\$000
Opening Balance	14,676	20,636
Transferred to Income and Expenditure Account	(5,000)	(5,960)
Closing Balance	<u>9,676</u>	<u>14,676</u>

14. Long-Term Liabilities (GoG/VIF H/F)

	2014	2013
	G\$000	G\$000
Opening Balance	285,111	282,747
Amount Transferred during the Year	2,199	2,364
Closing Balance	<u>287,310</u>	<u>285,111</u>

15. Creditors

	2014	2013
	G\$000	G\$000
Prepayments received on turnkey houses	8,950	-
Motor Vehicle	7,000	-
Closing Balance	<u>15,950</u>	<u>-</u>

16. Related Party Transactions and Other Disclosures

- (a) Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

There were no related party transaction for the year ending 31st December, 2014

(b) Other Disclosures

(i) Stipend paid to Board Chairman and Directors

	2014	2013
	G\$000	G\$000
Chairman	96	96
Board Directors (8 nos.)	672	672
Total	768	768

(ii) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. [IAS 24.9]

	2014	2013
	G\$000	G\$000
Chief Executive Officer	5,421	5,892
Director of Projects	6,986	7,594
Director of Operations	4,509	4,901
Director of Finance	6,420	6,979
Director, Community Planning and Development	3,361	3,653
Head, Information Communication Technology	3,217	3,497
Chief Development Planner	4,509	4,901
Total	34,423	37,417