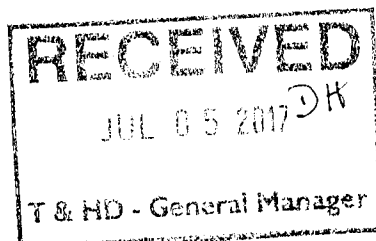
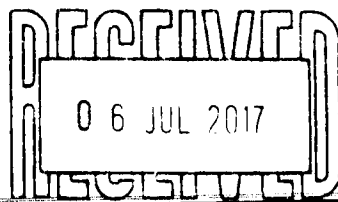


**AUDITED FINANCIAL STATEMENT FOR THE
TRANSPORT AND HARBOURS DEPARTMENT**

**FOR THE YEAR
ENDED 31 DECEMBER 2009**

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



AUDITED FINANCIAL STATEMENTS OF THE
TRANSPORTS AND HARBOURS DEPARTMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

TABLE OF CONTENTS

	PAGE
Transmittal Letter -----	i
Auditor's Opinion on the Financial Statements-----	1 – 3
Audited Financial Statements -----	4 – 13
Balance Sheet	
Income and Expenditure Statement	
Cash Flow Statement	
Management letter -----	14 – 47



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>

280/SO: 15/2/2017

23 June 2017

Ms. M. Merchant
General Manager
Transport and Harbours Department
Battery Road
Kingston
Georgetown.

Dear Ms. Merchant,


RE: AUDIT OF THE FINANCIAL STATEMENTS OF THE
TRANSPORT AND HARBOURS DEPARTMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

We wish to inform you that the audit of the above-mentioned Department has been completed. Accordingly, we are pleased to forward two copies of the audited financial statements, together with the Report of the Auditor General and the Management Letter thereon.

Should you need any clarification or explanation, please do not hesitate to let us know.

With kind regards.

Yours sincerely,


T. Pyle
Audit Manager
or Auditor General

AUDIT OFFICE
★ ★
OF GUYANA



Audit Office of Guyana

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

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

AG: 58/2017

23 June 2017

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE TRANSPORT AND HARBOURS DEPARTMENT FOR THE YEAR ENDED 31 DECEMBER 2009

I have audited the accompanying financial statements of the Transport and Harbours Department, which comprise the statement of financial position as at 31 December 2009, and the income statement and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles, 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 (ISAs) issued by International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. 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.

Basis for Disclaimer of Opinion

The amount of \$6,746,443,939 represents Property, Plant and Equipment as at 31 December 2009. A Fixed Assets Register was not maintained by the Department for the year under review. However, a schedule was presented but lacked pertinent information such as location, cost and date of acquisition, identification and serial number, together with detailed description of the assets in the case of furniture and fittings. As a result, the accuracy, completeness and validity of the amount of \$6,746,443,939 could not be verified.

Further, an examination of a sample of payment vouchers for additions revealed seven payment vouchers totalling \$53,677,867 were not presented. As a result, it could not be determined as to whether values were received for monies expended. *

Also, Certificates of Titles showing ownership of Buildings and Vessels to the value of \$6,335,269,129 as shown in the financial statements were not provided for audit verification. As a result, the ownership of the buildings and vessels could not be ascertained.

Further, the assets were last revalued in the year 1993, however, there was no evidence that the valuation was done by a qualified personnel. This was reported in the previous accounting period and no action was taken by Management to correct this situation. As such, it could not be determined if the assets were stated at a realistic value.

The sum of \$12,715,160 was shown as stocks. This amount represents the actual purchases made for the stores section, since a stock taking exercise was never carried out to ascertain the actual stock on hand. The amount of \$12,715,160 shown as stocks did not reflect its true position. As a result, the accuracy, completeness and validity of the amount stated as stocks could not be determined.

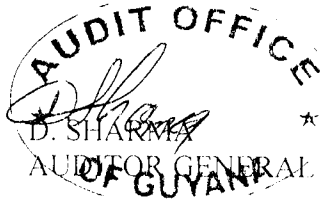
The amount of \$15,735,875 represents receivables as at 31 December 2009. The Department does not have a policy in place for the provision for bad debts should they become uncollectable.

The amount of \$155,240,351 was shown as the cash on hand and at bank balances as at 31 December 2009. This figure represents the balance of \$441,127,436 shown as the balance of the bank account No.0294 held at the Bank of Guyana and a negative balance of (\$285,887,085) representing the collection of Revenue at Stellings not yet deposited. In addition, a certified statement representing this amount was not presented. As a result, the accuracy, completeness and validity of the amount shown could not be determined.

The amount of (\$404,504,782) represents creditors as at 31 December 2009. This figure comprises of the sums of \$50,751,015 and (\$455,255,797) representing amount payable and credit balances respectively. However, a detailed schedule was not presented. As a result, the completeness, accuracy and validity of the amount shown could not be verified.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



AUDIT OFFICE
D. SHARMA
AUDITOR GENERAL
OF GUYANA

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

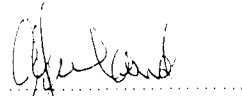
TRANSPORT AND HARBOURS DEPARTMENT
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER, 31, 2009

		2009	2008
	<u>NOTES</u>	<u>G\$</u>	<u>G\$</u>
<u>ASSETS</u>			
<u>Non Current Assets</u>			
Property, Plant & Equipment	3	6,746,443,939	7,054,257,327
		6,746,443,939	7,054,257,327
<u>Current Assets</u>			
Stocks	4	12,715,160	401,102,509
Receivables	5	15,735,875	28,606,122
Cash at Hand & at Bank	6	155,240,351	-
Total current Assets		183,691,386	429,708,631
Total Assets		6,930,135,325	7,483,965,958
<u>EQUITY AND LIABILITIES</u>			
Equity contribution	7	12,652,491,490	12,231,368,533
Accumulated Surplus/Deficit	8	(5,589,710,622)	(5,209,520,360)
Reserve	9	430,000	430,000
Revaluation Reserve		271,429,239	271,429,239
Total Equity		7,334,640,107	7,293,707,412
<u>Current Liabilities</u>			
Payables	10	(404,504,782)	177,936,528
Bank overdraft		-	12,324,017
Total Current Liabilities		(404,504,782)	190,260,545
Total Equity and Liabilities		6,930,135,325	7,483,967,957

The Managers approve these financial statement for issue on June 21, 2017



M. Merchant
General Manager



S. Newland
Chief Accountant (ag)

The accompanying notes form an integral part of these financial statements

TRANSPORT AND HARBOURS DEPARTMENT
INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2009

		2009	2008
<u>OPERATING INCOME</u>	<u>NOTES</u>	<u>G\$</u>	<u>G\$</u>
Passengers		71,756,354	161,064,514
Freight Notes		171,666,734	285,516,738
Vehicles		144,726,827	336,789,571
Goods	11	<u>55,397,930</u>	<u>59,315,621</u>
		443,547,845	842,686,444
 LESS OPERATING EXPENSES			
<u>STEAMER AND LAUNCHES</u>			
Ships and Launches		265,791,827	495,952,213
Traffic Expenses (starrings)		103,082,698	156,078,524
Other	12	<u>1,447,596,647</u>	<u>1,498,938,731</u>
		(1,816,471,172)	(2,150,969,468)
 <u>NET INCOME FROM OPERATIONS</u>			
		(1,372,923,327)	(1,308,283,024)
Add: Other Income	13	<u>1,817,960,574</u>	<u>2,817,641,988</u>
		445,037,247	1,509,358,964
Less: ADMINISTRATION EXPENSES	14	<u>96,289,165</u>	<u>207,871,147</u>
		348,748,082	1,301,487,817
Less: DEPRECIATION EXPENSES		<u>728,938,344</u>	<u>(764,335,367)</u>
		(380,190,262)	537,152,450
Transfer to capital (equity)		<u>(19,181,219)</u>	<u>(27,937,265)</u>
NET INCOME(LOSS) FOR THE YEAR		<u>(399,371,481)</u>	<u>509,215,185</u>

The accompanying notes form an integral part of these financial statements

TRANSPORT AND HARBOURS DEPARTMENT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
	<u>G\$</u>	<u>G\$</u>
<u>OPERATING ACTIVITIES</u>		
Net Income/Loss	(380,190,262)	509,215,185
Depreciation	728,938,344	764,335,367
Stocks	388,387,349	20,707,026
Debtors	12,870,247	1,117,063,238
Creditors	(582,441,310)	(2,379,376,111)
Net Cash Flow from operating activities	<u>167,564,368</u>	<u>31,944,705</u>
 <u>INVESTING ACTIVITY</u>		
Net cash outflow - investment activities	<u>(421,122,956)</u>	<u>(422,937,265)</u>
 <u>FINANCING ACTIVITY</u>		
Ministry of Finance	401,941,737	395,000,000
Transport & Harbours Department	<u>19,181,219</u>	<u>27,937,265</u>
Net cash inflow from financing activities	<u>421,122,956</u>	<u>422,937,265</u>
 <u>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT</u>		
Cash and Cash equivalent at beginning of year	(12,324,017)	(44,268,722)
Cash and cash equivalent at end of year	<u>155,240,351</u>	<u>(12,324,017)</u>
Net movement in cash and cash equivalent	<u>167,564,368</u>	<u>31,944,705</u>

The accompanying notes form an integral part of these financial statements

TRANSPORT AND HARBOURS DEPARTMENT
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2009

1) INCORPORATION AND PRINCIPAL ACTIVITIES

The Transport & Harbours Department was established on the 1st January, 1931 by the Transport & Harbours Act, Chapter 49.04 of the Laws of Guyana for the purpose of managing and carrying on the railway and Government vessels and controlling and regulating the use of the Harbours of Guyana.

The Demerara/Essequibo Railway covering 18.5 miles from Vreed-en-Hoop to Parika and the Demerara/Berbice railway covering 60.5 miles from Georgetown to Rosignol were acquired from the Colonial Transport Department. In 1931 it was nationalised by Ordinance 31 and run by the Transport and Harbours Department.

The Demerara/Essequibo railway was closed in 1971 and the Demerara/Berbice railway was closed in 1972 by the then President Forbes Burnham and these routes were replaced by bus services. However, these public bus services were subsequently closed. To date the Department still maintains the ferry services (Berbice, Parika/Adventure, Parika/Wakenaam, Parika/Bartica, Paika/Leguan) and controls and regulates the harbours of Guyana.

TRANSPORT AND HARBOURS DEPARTMENT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2009

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) COST CONVENTION

These accounts have been prepared in accordance with GAAP under the historical cost convention.

(b) FIXED ASSETS

Fixed Assets are recorded at cost and extraordinary repairs that will extend the useful life of an asset beyond the original estimated life are capitalised. No depreciation is provided on freehold land. Other fixed assets are depreciated on the Reduced Balancing Method Basis. No Depreciation is charged on assets acquired or on additions during the year. Assets are depreciated as follows: -

Buildings - 5%	Furniture & Fixtures - 25%
Plant & Equipment - 10%	Motor Vehicles & Vessels - 15%
Barges - 15%	

{C} STOCKS

Stocks are valued at the lower of cost and net realizable value. Cost is determined using the LIFO method, but since no actual stock count was done the figure stated is actual purchases for the year.

TRANSPORT & HARBOURS DEPARTMENT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31ST, 2009

FIXED ASSETS

3

2009	Buildings \$	Motor Vessels/ Vehicles \$	Plant, Equipment, Machinery \$	Furniture & Fixtures \$	TOTAL \$
Balance B/F	3,725,098,655	4,960,189,695	513,348,000	173,000,000	9,371,636,350
Addition Capital	14,000,000	387,941,737	-	-	401,941,737
T & H. D	-	19,181,219	-	-	19,181,219
Disposal	-	-	-	-	-
Balance as at 31.12.2009	3,739,098,655	5,367,312,651	513,348,000	173,000,000	9,792,759,306
Depreciation for the year 31/12/2009	160,202,323	506,523,889	37,423,069	24,789,063	728,938,344
Accumulated Depreciation as at 2009	681,254,519	2,089,887,658	176,540,377	98,632,813	3,046,315,367
Net Book Value 2009	3,057,844,136	3,277,424,993	336,807,623	74,367,187	6,746,443,939
Net Book Value 2008	3,204,046,459	3,376,825,926	374,230,692	99,156,250	7,054,259,327

4 **STOCK -** \$ 12,715,160

This amount represents actual purchases made for the stores section. Since no stock taking was previously done to ascertain the correct stock values. It is mandatory that we continue to use these figures until such time that an actual stock count/verification is executed. This amount represent the following: -

	<u>2009</u>	<u>2008</u>
	\$	\$
Unallocated stores	12,715,160	401,102,509
<u>Add: Adjustable Accounts</u>	-	-
	<u>12,715,160</u>	<u>401,102,509</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2009

5 RECEIVABLES- \$ 15,735,875

	<u>2009</u>	<u>2008</u>
	\$	\$
Bitumen Plant Expenses	-	-
Works & Transport (T/Port)	-	242,424
Transport & Harbours Department (see Appendix IA)	15,735,875	28,363,698
Life Insurance	-	-
	<u>15,735,875</u>	<u>28,606,122</u>

6 CASH ON HAND AND AT BANK - \$155,240,351

	<u>2009</u>	<u>2008</u>
	\$	\$
BOG Bal from General Ledger	441,127,436	252,877,113
Collection at Stelling	(285,887,085)	(265,201,130)
	<u>155,240,351</u>	<u>(12,324,017)</u>
	<u>155,240,351</u>	<u>(12,324,017)</u>

7 EQUITY CONTRIBUTION - \$12,652,491,490

	<u>2009</u>	<u>2008</u>
	\$	\$
This amount comprises of the following: -		
Opening balance 2007	12,231,368,534	11,808,431,269
Revaluation 2006 (Capital receipts & T & HD Capital)	421,122,956	422,937,265
	<u>12,652,491,490</u>	<u>12,231,368,534</u>
Less: Disposal	-	-
Closing Balance	<u>12,652,491,490</u>	<u>12,231,368,534</u>

TRANSPORT AND HARBOURS DEPARTMENT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2009

8 <u>ACCUMULATED SURPLUS/DEFICIT -</u>	-\$5,589,710,622		
		<u>2009</u>	<u>2008</u>
At January 1st, 2008		(5,209,520,360)	(5,718,735,545)
Surplus/Deficit for the year		(380,190,262)	509,215,185
Correction/bank balances (see cash at bank)		-	-
		(5,589,710,622)	(5,209,520,360)

9 <u>RESERVE - \$430,000</u>			
		<u>2009</u>	<u>2008</u>
		\$	\$
		430,000	430,000

This is the stipulated provision for expenditure on Capital Works.

10 <u>PAYABLES -</u>	-\$404,504,782		
This amount comprises of the following: -			
		<u>2009</u>	<u>2008</u>
		\$	\$
Amount Payable		50,751,015	(52,194,738)
Credit Balance (see Appendix 2 A & 2B)		(455,255,797)	230,131,266
		(404,504,782)	177,936,528

TRANSPORT & HARBOURS DEPARTMENT
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31ST, 2009

11 GOODS - \$55,397,930

This represents the following revenue: -

	<u>2009</u>	<u>2008</u>
	\$	\$
Goods Traffic	55,380,890	59,178,346
Parcels/Deck Chairs	17,040	137,275
	<u>55,397,930</u>	<u>59,315,621</u>

12 STEAMERS & LAUNCHES - OTHER EXPENDITURE - \$1,447,596,647

	<u>2009</u>	<u>2008</u>
	\$	\$
Repairs to Stelling & Buildings	11,537,383	14,221,455
Engineering Department - Supt M & M	22,066,130	41,376,310
Traffic Superintendent	8,971,153	10,127,159
Bitumen Plant	1,341,308,839	1,306,262,664
Works & Transport	242,424	-
Insurance	4,919,503	3,171,727
Other expenditure (Clerks & acc rec general)	8,316,238	95,479,061
Refund of revenue	2,239,054	1,050,000
Capital expenditure from Current Funds	19,453,819	-
Marine Superintendent	10,181,219	10,126,378
Mazaruni Docks	18,360,885	17,123,177
	<u>1,447,596,647</u>	<u>1,498,938,131</u>

TRANSPORT & HARBOURS DEPARTMENT
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31ST, 2009

	2009	2008
	\$	\$
13 <u>OTHER INCOME -</u>	\$1,817,960,574	
Excursion & Special Services	-	-
Bitumen Plant Receipts	1,779,142,764	-
Other income (clerks & ARG)	-	2,745,686,348
Rental & Facilities	38,817,810	71,955,640
	1,817,960,574	2,817,641,988

14 ADMINISTRATION EXPENSES \$96,289,165

	2009	2008
	\$	\$
General charges	70,509,296	178,760,936
National Insurance	25,779,869	29,110,211
	96,289,165	207,871,147

This amount represents transfer of current revenue for capital expenditures as listed below:-

	2009	2008
	\$	\$
Motor Vessels/ Vehicles	19,181,219	27,937,265
	19,181,219	27,937,265