

**AUDITED FINANCIAL STATEMENTS OF
THE GUYANA ENERGY AGENCY**

**FOR THE YEAR ENDED
31 DECEMBER 2013**

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

OPINION NO.: 13/2015



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>

61/SL: 47/2/2015

12 March 2015

Dr. Mahender Sharma
Chief Executive Officer
Guyana Energy Agency
295 Quamina Street
South Cummingsburg
Georgetown.

Dear Dr. Sharma,


AUDIT OF THE BOOKS AND ACCOUNTS OF THE
GUYANA ENERGY AGENCY
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,


Terrie Pyle
Audit Manager
Auditor General



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: 13/2015

12 March 2015

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

I have audited the accompanying financial statements of the Guyana Energy Agency, which comprise the statement of financial position as at 31 December 2013, 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

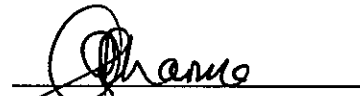
In my opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Guyana Energy Agency as at 31 December 2013, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

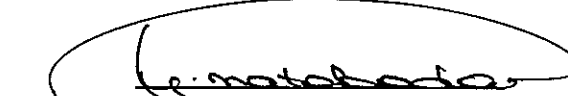


AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

GUYANA ENERGY AGENCY
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2013

	Notes	2013 \$	2012 \$
ASSETS			
Non- Current Assets			
Plant, Property and Equipment	3	53,178,940	51,277,707
Current asset			
Debtors	4	224,296	347,751
Cash at Bank/Hand	5	31,130,671	58,793,336
		<u>31,354,967</u>	<u>59,141,087</u>
Total Assets		<u><u>84,533,907</u></u>	<u><u>110,418,794</u></u>
 Equity			
Capital Contribution	6	35,588,131	35,065,522
Accumulated fund		(4,073,098)	37,939,506
Revaluation Reserve		37,350,000	35,800,000
Total Equity		<u><u>68,865,033</u></u>	<u><u>108,805,028</u></u>
 Current Liabilities			
Creditors	7	481,432	597,004
Accruals	8	15,187,442	1,016,762
Total Equity and Liabilities		<u><u>84,533,907</u></u>	<u><u>110,418,794</u></u>


M. Sharma
Chief Executive Officer


Y. Matabadal
Head Finance Division

GUYANA ENERGY AGENCY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
Income			
Other income	9	39,984,653	41,996,948
Government Subvention	10	63,114,657	58,632,000
GMS Receipts (Biocode Accruals)			
Receipts from oil companies		40,503,311,180	59,281,150,704
		<u>40,606,410,490</u>	<u>59,381,779,652</u>
Expenses			
Employment Cost	11	64,284,780	53,153,384
Office and Administration	12	44,313,358	59,283,259,376
Repairs and Maintenance	13	2,713,742	3,162,545
Fuel and lubricant	14	1,871,712	1,795,896
Depreciation	3	3,078,029	2,456,706
		116,261,621	59,343,827,907
Net Profit/ (Loss) before PDVSA expense		<u>40,490,148,869</u>	<u>37,951,745</u>
PDVSA(petro leos de Venezuela SA Agreement) transfers		40,532,161,473	
Net Profit/ (Loss) after PDVSA expense		<u>(42,012,604)</u>	
Other Comprehensive Income			
Revaluation of Fixed Assets		1,550,000	-
Net position		<u>(40,462,604)</u>	<u>37,951,745</u>

GUYANA ENERGY AGENCY
Statement of Changes in Equity
For Year ending 31 December 2013

	Revaluation Reserves	Accumulated Fund	Capital Subvention	Total
	G\$	G\$	G\$	G\$
Balance at January 1 2013	35,800,000	37,939,506	35,065,522	108,805,028
Capital Supplementary			522,609	522,609
Revalued fixed assets	1,550,000			1,550,000
Net Profit/ (Loss)		(42,012,604)		(42,012,604)
Balance as at December 31,2013	37,350,000	(4,073,098)	35,588,131	68,865,033

GUYANA ENERGY AGENCY
Statement of Changes in Equity
For Year ending 31 December 2012

	Revaluation Reserves	Accumulated Fund	Capital Subvention	Total
	G\$	G\$	G\$	G\$
Balance at January 1 2012	35,800,000	(12,239)	33,447,238	69,234,999
Capital Supplementary			1,618,284	1,618,284
Net Profit/ (Loss)		37,951,745		37,951,745
Balance as at December 31,2012	35,800,000	37,939,506	35,065,522	108,805,028

GUYANA ENERGY AGENCY
STATEMENT OF CASH FLOWS

For the year ended 31 December 2013

	Jan- Dec 2013	Jan- Dec 2012
Cash Flow from Operating Activities		
Net Profit/(Loss) for the year	40,490,148,869	37,951,745
Adjustments for:		
Depreciation	3,078,029	2,456,706
Account Receivables		
Other Receivables	123,455	310,375
Accounts Payable/ Accruals	14,170,680	325,390
Other Accounts Payable	(115,572)	(999,887)
Total Adjustment	17,256,592	2,092,584
Net Cash from Operating Activities	40,507,405,461	40,044,329
Cash Flow from Investing Activities		
Purchase of fixed assets:		
Furniture and fittings	(131,544)	(275,796)
Office Equipment	(638,509)	(898,473)
Other Equipment	(1,683,813)	(3,455,135)
Motor vehicle		
Buildings	(975,396)	
Net cash used in investing activities	(3,429,262)	(4,629,404)
Cash Flow from Financing Activities		
Changes in:		
Capital Subvention	522,609	1,618,284
Net Cash used in financing activities	522,609	1,618,284
Net increase/ (decrease) in cash and Cash equivalents	27,662,665	37,033,209
Cash and cash equivalent at the		
Beginning of the period	58,793,336	21,760,127
Opening Adjustment for PDVSA Transactions		
Cash and Cash Equivalents at the		
End of the period	31,130,671	58,793,336

GUYANA ENERGY AGENCY

NOTES TO THE FINANCIAL STATEMENT 2013

1. Background

The Guyana Energy Agency is the successor of the Guyana National Energy Authority effective June 01, 1998. The mandate and functions of the Agency remain the same as that of the Guyana National Energy Authority. The Guyana Energy Agency (GEA) is governed by the following legislation: Guyana Energy Agency Act 1997, Energy Sector (Harmonisation of Laws) Act 2002, Guyana Energy Agency (Amendment) Act 2004, Guyana Energy Agency (Amendment) Act 2005 and the Petroleum and Petroleum Products Regulations 2004.

The general mandate of the Agency is embodied in its Mission Statement:

“To ensure the rational and efficient use of imported petroleum-based energy sources, while encouraging where economically feasible and environmentally acceptable, increased utilization of indigenous new and renewable sources of energy.”

The Guyana Energy Organization structure comprises of a Board of Directors, Chief Executive Officer, Deputy Chief Executive Officer, Secretariat and five (5) Divisions: Finance Division, Energy & Energy Statistics Division, Fuel Marking Division, Legal & Licensing Division and Administration & Human Resource Division.

2. ACCOUNTING POLICIES

(A) Accounts have been prepared on an accrual basis and under the historical cost convention. Financial statements have been prepared in accordance with International Financial Reporting Standards.

(B) FIXED ASSETS

Fixed assets are recorded at cost. Depreciation is provided on a straight line basis over a period of one (1) year to five (5) years. Rates used are in accordance with the regulations of the Income Tax Act. Depreciation is charged in the year of acquisition and the rates are as follow:

- Office Equipment 20% per annum
- Other Equipment 10% per annum
- Motor Vehicles 20% per annum
- Furniture and Fixtures 10% per annum
- Building 2% per annum

GUYANA ENERGY AGENCY
NOTES TO THE FINANCIAL STATEMENTS 2013

Note 3

Fixed Assets Schedule

	Land	Building	Motor Vehicle	Office Equipment	Furniture and Fixtures	Other Equipment	Total
	\$	\$	\$	\$	\$	\$	
Balance b/f 1-1-2013	2,000,000	50,869,600	5,694,149	6,985,001	1,006,000	6,799,719	73,354,469
Less Journal adjustment			4,108,429				4,108,429
Additions for year		975,396		638,509	131,544	1,683,813	3,429,262
Revaluation Reserve			1,550,000				1,550,000
Disposals/ transferred							-
Cost at 31/12/2013	2,000,000	51,844,996	3,135,720	7,623,510	1,137,544	8,483,532	74,225,302
Depreciation b/f 2012		10,256,095	5,694,149	4,183,682	234,732	1,708,104	22,076,762
Less Journal Adjustment			4,108,429				4,108,429
Revaluation reserve							-
Depreciation 31/12/2013		706,901	310,000	1,147,493	73,782	839,853	3,078,029
							-
Total Depreciation		10,962,996	1,895,720	5,331,175	308,514	2,547,957	21,046,362
Net Book Value 31 Dec 2013	2,000,000	40,882,000	1,240,000	2,292,335	829,030	5,935,575	53,178,940
Net Book Value 31 Dec 2012	2,000,000	40,613,505	-	2,801,319	771,268	5,091,615	51,277,707

GUYANA ENERGY AGENCY
NOTES TO THE FINANCIAL STATEMENTS 2013

	2013	2012
Note 4		
Debtors		
staff loan	-	-
Salary Advance	-	60,000
Staff Debtors	5,058	5,702
GPSCU	-	(4,500)
GRA	(8)	(19,665)
GPSU	-	460
CCWU	-	(3,000)
Accounts receivable	-	-
Sundry Debtors	219,246	308,754
Guyoil		
	224,296	347,751

Note 5

Cash at Bank/ Hand

		\$
Petty Cash	-	80,000
Charcoal A/c	10,730,261	38,742,356
General A/c	9,560,828	10,575,491
Special A/c	10,839,582	9,393,888
GEA Foreign ac	-	1,601
	31,130,671	58,793,336

Note 6

Capital Contribution

Opening balance	35,065,522	33,447,238
Capital releases for 2013	522,609	1,618,284
	35,588,131	35,065,522

Note 7

Creditors

GNRA-Hand in Hand	-	15,939
NIS	-	32,271
Salaries and allowances	-	(4,944)
GTM Insurance	-	39
Hand in hand	-	8,157
GTM	-	239
Sundry creditor	479,934	545,303
Staff Creditor	1,498	
SOL		
	481,432	597,004

Note 8

Accruals

		\$
Accruals	15,187,442	1,016,762
	15,187,442	1,016,762

GUYANA ENERGY AGENCY
NOTES TO THE FINANCIAL STATEMENTS 2013

	2013	2012
Note 9		
Other Income		
Agency Fees	15,726,453	15,972,448
Miscellaneous Income	31,200	-
Fuel licensing	23,153,500	25,012,000
Licensing application form	191,000	-
Licensing decals	882,500	1,012,500
Loan Interest	-	-
	39,984,653	41,996,948
Note 10		
Current Release		
These represent Government releases through the Office of the President and Ministry of Finance	63,114,657	58,632,000
Note 11		
\$ Employment Cost		
House allowance	460,610	-
Vacation Allowance	3,689,490	3,025,260
Wages and Salaries	46,093,683	39,773,295
Pension	421,699	1,641,385
NIS	2,617,600	2,239,570
Hand in hand	1,249,701	1,059,492
Travel allowance	1,710,000	1,640,000
GNRA Hand in Hand Employers contribution	-	-
Gross Overtime stipend	88,012	674,029
Gratuity	130,000	46,378
Honorarium	5,402,539	-
Entertainment Allowance	420,000	480,000
Duty Allowance	1,842,013	2,027,265
Acting allowance	29,895	10,946
Utility Allowance	-	280,000
GTM Administrative Fee	83,979	195,764
Risk allowance	60,000	60,000
	64,284,780	53,153,384
Board Member's fees		
Chairman- D.Persaud	30,000	7,500
Board Members (6)		
-B. Persaud	20,000	5,000
-E. Marshall	20,000	5,000
-D. Yearwood	5,000	5,000
-L. Carberry	20,000	5,000
-C. Williams	20,000	5,000
-N. Rekha	15,000	-
-S. Roopnauth	-	5,000
	130,000	37,500

Please note the above amounts were included in the amount for stipend in the employment note

Key Management Personnel

The Agency employed 5 key management personnel in year 2013 who received gross salary and benefits amounting to \$17,467,416 which is included in the employment figure in note 11 above.

The Agency employed 5 key management personnel in year 2012 who received gross salary and benefits amounting to \$16,105,935 which is included in the employment figure in note 11 above.

GUYANA ENERGY AGENCY
NOTES TO THE FINANCIAL STATEMENTS 2013

2013

2012

Note 12

Office & Administration Cost

	2013	2012
		\$
Staff Welfare	917,741	851,511
Local Travel	1,983,630	1,213,460
Overseas Travel	192,744	211,328
Cleaning and Janitorial Supplies	527,279	249,024
Stationery and Office Supplies	2,878,189	2,194,914
Communication Expense	1,610,380	2,385,095
Electricity Expense	2,400,000	2,271,000
Site Visit/Inspection	-	219,681
Periodicals News papers and Books	-	24,410
Security Expense	2,250,000	2,250,000
Cleaning and Sanitation		175,827
Bank Charges	- 667,454	965,954
Miscellaneous Expense	30,615	55,497
Vehicle Insurance	-	10,350
Training	1,809,596	667,808
National Event	-	88,404
Entertainment	-	
Subscriptions and Dues	-	-
Consultancy	-	4,454,081
Transfer of funds	-	-
Advertisement	1,763,499	647,467
Conference and Seminars	240,695	57,998
Donations	-	
Refreshments and meals	1,301,615	589,474
Drugs and medical Supplies	-	19,935
Other fees and Licence	-	24,479
Postage and revenue Stamps and rental	41,606	42,285
Jobs, works & task	62,040	53,300
Computer supplies	-	-
Sub. Boarding & lodging	987,600	331,500
Pest Control	217,311	156,033
Water Rates	245,796	800,000
Audit & professional fees	506,000	-
draperies	-	67,200
Loose tools	-	38,348
Medical expense	-	-
Advance to purchase	- 172,461	546,063
Energy conservation	7,098,902	6,146,763
Print and Non print Materials	1,369,461	1,899,842
GEA Biocode (Accruals)	13,348,192	-
VAT	-	274,434
PDVSA- Petro'leos De Venezuela SA Agreement		23,675,856,608
Ministry of Finance		35,411,311,082
BOG Loan A/c		165,136,881
Loss on foreign currency	22,555	-
GIZ		466,595
Guyoil	-	-
PLATTS Subscription	2,277,966	-
Uniform Expense	1,028,100	-
Protective clothing	41,761	504,745
	44,313,358	59,283,259,376

GUYANA ENERGY AGENCY
NOTES TO THE FINANCIAL STATEMENTS 2013

	2013	2012
<u>Note 13</u>		
Repairs and Maintenance		\$
Building	552,177	448,058
Office Equipment	483,236	619,292
Vehicle	880,924	778,976
Compound	186,281	1,157,835
Furniture and Fixture	122,580	126,020
Other Equipment	488,544	32,364
	2,713,742	3,162,545

<u>Note 14</u>		
Fuel and lubricant	1,871,712	1,795,896
	1,871,712	1,795,896