



# 2016 ANNUAL REPORT

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS:**

#### **CHAIRPERSON:**

Patricia Bacchus

#### **DEPUTY CHAIRPERSON:**

Shamir Ally

#### **MEMBERS:**

Basil Blackman

Deborah Yaw

Durwin Humphrey

Euliene Watson

Hansranie Seebaran

Kenneth Jordan

Michael Hutson

Rajandra Singh

Ramesh Persaud

#### **CHIEF EXECUTIVE OFFICER:**

Waynewright Owen Verwey

#### **REGISTERED OFFICE:**

190 Camp & Church Streets,

Georgetown, Guyana

Telephone: (592) 227 0653

Fax: (592) 225 0655

Email: [goinvest@goinvest.gov.gy](mailto:goinvest@goinvest.gov.gy)

#### **AUDITORS:**

Audit Office of Guyana

63 High Street

Kingston, Georgetown



## **DIRECTORS' REPORT**

The appointment of the Board of Directors for the period January 1, 2016, to December 31, 2017, was published in the Official Gazette on January 4<sup>th</sup>, 2016.

The Guyana Office for Investment (GO-Invest) connects entrepreneurs to trade and investment opportunities available in Guyana. The Investment Act, Cap. 73:03 is the principal legislation governing investment in Guyana and provides equal legal protection to both domestic and foreign investors. The Act provides for the repatriation of profits, protection of intellectual and property rights and the employment of foreign personnel. It also provides for fiscal incentives, and duty and value-added tax waivers for capital inputs in specific sectors (industries) and geographic regions. In-line with the Government's policies and strategy for improving the investment climate in Guyana and pursuing sustainable development, GO-Invest focuses its services on eight priority sectors in Guyana, i.e. Agriculture/Agro-processing, Light Manufacturing, Services, Information and Communication Technology, Mining, Forestry, Energy, and Tourism.

### **Investment Highlights**

Against this background, GO-Invest steadfastly delivered its services resulting in a total of 57 Executed Investment Agreements (IAs) for diverse projects within the 8 Priority Sectors in 2016. Although there were 80 project leads recorded for this period, only 57 resulted in executed IAs for fiscal incentives with the Government of Guyana. Reasons for non-execution of an IA with an Investor may include applications for fiscal incentives not covered by the current investment framework, non-compliance with regulatory authorities and inability to provide proof of source of funding for the proposed investment.

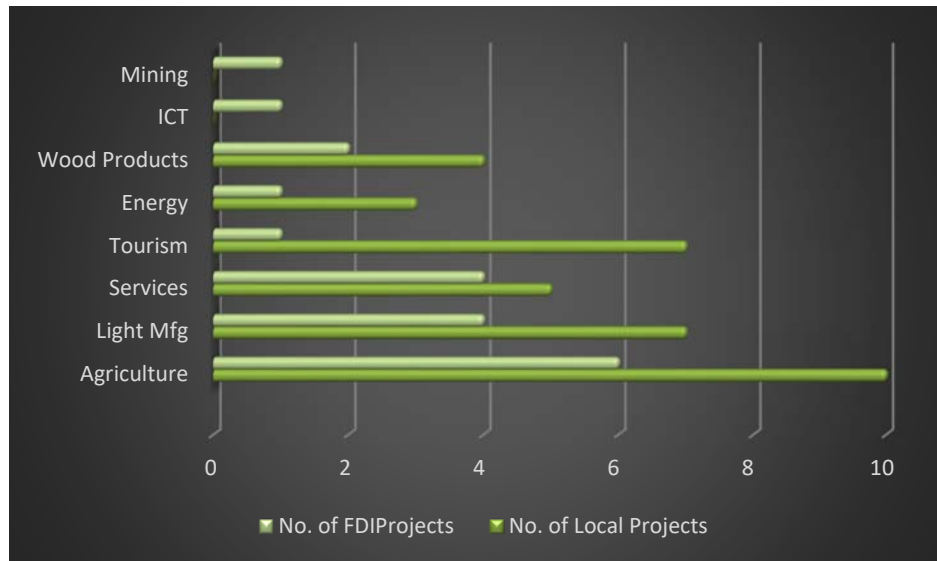
GO-Invest estimates that it takes approximately 36 months for a Project to become fully operational. This report addresses the Investment Projects facilitated and executed by GO-Invest in 2016. The information provided herein does not capture the totality of investments in Guyana; as the Agency's reporting is based on data submitted only by investors accessing the services of GO-Invest.

**Figure 1  
IAs Facilitated**

Sector	Local Projects			Foreign Direct Investment			Total Projected Value of Executed Agreements		
	No. of Projects	Projected Jobs	Projected Investment G\$ 000,000	No. of Projects	Projected Jobs	Projected Investment G\$ 000,000	No. of Projects	Projected Jobs	Projected Investment G\$ 000,000
Agriculture/Agro-Processing	10	513	\$5,323	6	208	\$2,625.624	16	721	\$ 7,948.624
Light Manufacturing	7	66	\$1,379	4	273	\$1,210.8	11	339	\$2,589.8
Services	5	263	\$2,962.131	4	473	\$19,870	9	736	\$22,832.131
Tourism	7	409	\$3,551.9	1	44	\$1,008.73325	8	453	\$4,560.63325
Energy	3	1,313	\$42,447.5	1	53	\$4,500	4	1,366	\$46,947.5
Wood Products	4	83	\$606	2	110	\$363	6	193	\$969
Information & Communication Technology	0	0	\$ -	1	1500	\$2,500	1	1,500	\$2,500
Mining	0	0	\$ -	1	20	\$220	1	20	\$220
<b>TOTAL</b>	<b>36</b>	<b>2,647</b>	<b>\$56,269.531</b>	<b>20</b>	<b>2,681</b>	<b>\$32,298.15725</b>	<b>57</b>	<b>5,328</b>	<b>\$88,567.68825</b>

Most Projects facilitated were from the Agriculture, Light Manufacturing, Services, and Tourism Sectors. Fewer Projects were facilitated in the Energy, ICT, Mining and Forestry Sectors. As the Guyana Geology and Mines Commission (GGMC) is the responsible Agency for executing Investment Agreements relating to the Mining Sector; the Agency only recorded 1 IA executed for services provided to the Mining Sector.

**Figure 2**  
**Source of Projects by Sectors**



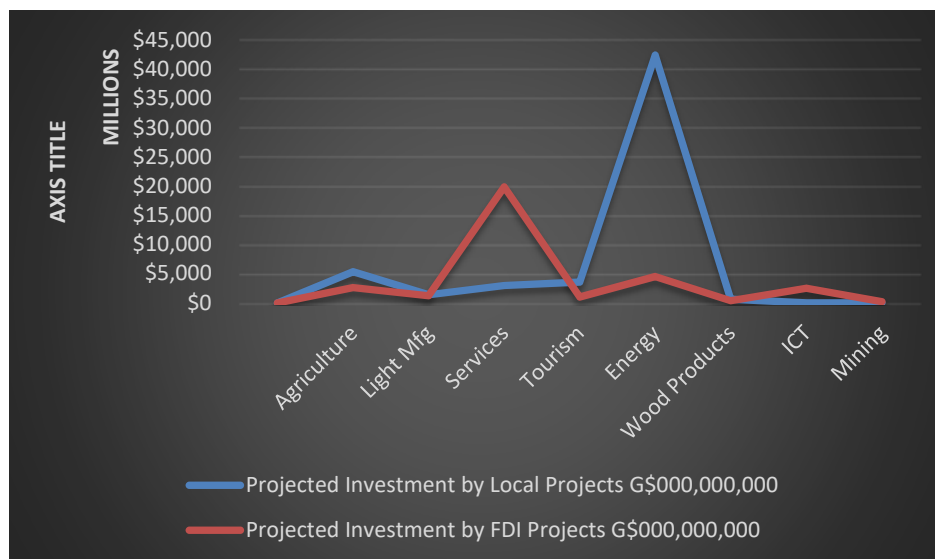
### **Local Investment**

Per the trend in prior years, the number of investment projects for which fiscal incentives were applied for and facilitated continued to be principally from local investors; approximately 62% of the year's portfolio. The projected value of Local Investment was approximately 63.5% of the total projected value of investments at GY\$56,269,531,000. Foreign Direct Investments, however, showed a marginal lead of 0.4% over Local Investment in terms of projected job creation.

Investors continued to display interest in the Agriculture/Agro-Processing Sector. This Sector includes the sub-sectors of processed foods, juices, fresh fruits and vegetables, dairy farming, livestock and poultry, aquaculture and seafood processing, and traditional crops (i.e. rice and sugar). The sector offers tremendous opportunities to investors due to Guyana's rich agricultural lands and favourable weather conditions.

In 2016, Domestic Investment was predominantly the source of investment for Agriculture/Agro-Processing Projects. GO-Invest facilitated and executed approximately 16 Agriculture/Agro-Processing Projects at a projected value of GY\$7,948,624,000 with projected employment of 721 jobs.

**Figure 3**  
**Projected Value of Projects by Source and Sector**



### **ICT Sector**

The Information and Communication Technology Sector gained steady momentum in recent years due to the growth the Business Process Outsourcing industry. This Sector has the potential to provide many jobs quickly and for relatively low capital expenditure. GO-Invest facilitated and executed 1 project in this Sector, however, the estimated jobs created ranked highest of all sectors at 1,500.

### **Light Manufacturing Sector**

For many years the Light Manufacturing Sector has struggled under the weight of high energy costs, as well as sector-specific challenges, yet it has tremendous potential for economic growth through, knowledge and technology transfer, and job creation. This sector recorded the second highest number of projects facilitated and IAs executed by GO-Invest in 2016. Approximately 63.6% of the total projects executed within this sector were Locally Owned, however, the bulk of new jobs projected for this sector were from FDI Projects.

### **Services Sector**

The Services Sector in Guyana is one of the most diverse sectors, covering a range of economic activities including transportation, construction medical, and educational services. A modest 11 IAs were executed in 2016; however, this sector accounted for the second highest total projected value of investment of GYS\$22,832,131,000. FDI Projects accounted for approximately 87% of all investments in this sector.

## **Tourism Sector**

The Tourism Sector in Guyana shows remarkable promise to showcase Guyana's exotic natural environments, conservation efforts and wildlife, as well as its rich colonial history, and the unique blend of ethnicities that comprise the Guyanese culture and experience. This sector performed modestly in 2016 with IAs executed for 8 projects; the majority being Locally Owned. GYS\$3,551,900,000 was invested by Domestic Investors. The total value of projected investment was GYS\$4,560,633,250.

## **Forestry Sector**

In 2016 GO-Invest facilitated and executed IAs for a total of 6 Forestry Projects with a projected investment of GYS\$969,000,000. This sector ranks the second lowest in terms of the value of investment by sector; similarly, a total of 193 jobs was proposed, again penultimate for projected job creation by sector. Following the pattern of the other sectors, the bulk of investors were domestic. This Sector is, however, expected to be revitalised by the Government of Guyana's strategy to pursue sustainable development. Additionally, the Guyana Forestry Commission has plans to allocate new lands for use by the Forestry Sector in the near future.

## **Mining Sector**

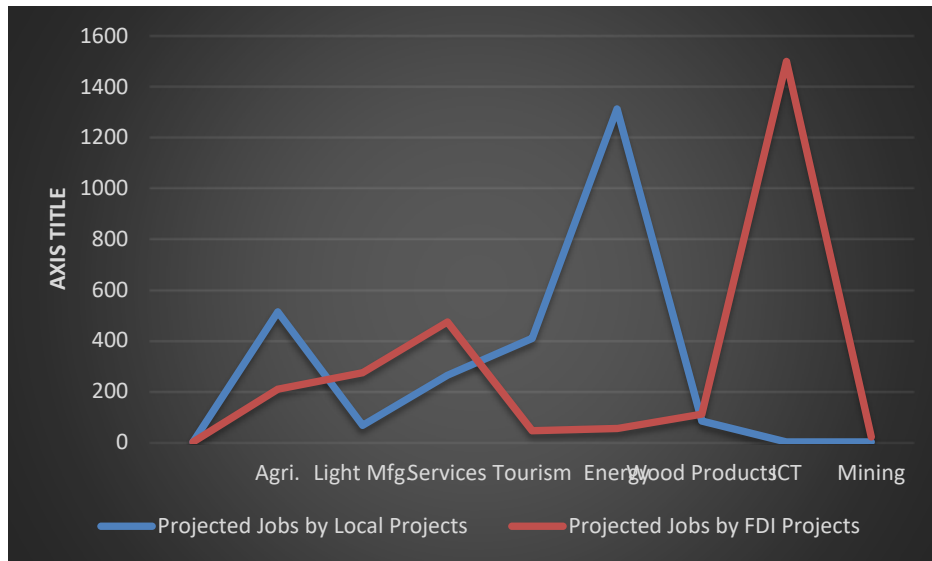
The investment numbers recorded by the Agency for 2016 are not a reflection of the Mining Investment in Guyana as a whole because GO-Invest only facilitates investments related to businesses servicing the Mining Sector. Investments in the Mining Sector fluctuated in response to changes in the price of gold on the world market, however, GO-Invest executed 1 Mining Sector IA with a proposed investment of GYS\$220,000,000.

## **Energy Sector**

The Energy Sector experienced unprecedented growth. By November 2016, Exxon Mobil's discovery off the coast of Guyana was reported to hold as much as 1.4 billion barrels of oil, twice the size of the previous estimates, with a potential value of US\$70B based on 2016 market prices. Within this sector, GO-Invest recorded projected investment of GYS\$46,947,500,000 from executed Investment Agreements with total estimated job creation of 1,366 jobs, that is, the estimated creation of approximately 341 jobs per Project.



**Figure 4**  
**Projected Jobs Created by Source and Sector**



**B. Achievements for 2016**

**1. Appointment of the GO-Invest Board of Directors**

Senior officers of key agencies such as the Guyana Revenue Agency (GRA), Guyana Lands & Survey Commission (GL&SC), Guyana Geology and Mines Commission (GGMC), Environmental Protection Agency (EPA), Ministry of Natural Resources (MoNR), Ministry of the Presidency (MoP), Ministry of Foreign Affairs MoFA) and the Private Sector Commission were appointed to the Board of Directors.

Monthly meetings were held by the Board and Sub-Committees were constituted to address critical areas within the Agency such as ICT and Finance.

The Board in collaboration with its Sub-Committees was successful in resolving 90% of the concerns identified in the Agency’s Forensic Audit Report.

**2. Appointment of Chief Executive Officer**

On February 15, 2016, Mr. Waynewright Owen Verwey was appointed Chief Executive Officer of the Agency. This position had been vacant for some four years.

**3. Internal Controls**

Systems were put in place for internal control and discharge of the Agency’s mandate. All employees were required to enter into legally enforceable Confidentiality Agreements.

Standard tools were implemented to facilitate applications to the Agency. An Expression of Interest Form was created to promote the development of international best practices regarding investment, streamlining the existing procedures for investment and to guide Investors on the information and disclosures required to access fiscal incentives. To this end, GO-Invest additionally held discussions with the Commercial Department of the U.S. Embassy to explore a collaborative approach for conducting due diligence on U.S. Investors.

A Progress Report was implemented for all Investors with an executed IA in order to monitor the progress of their Projects so the Agency would be alerted the difficulties or delays experienced by Investors and identify means of mitigating same.

#### 4. Investment and Facilitation

GO-Invest collaborated with the GRA, GL&SC, GFC, EPA, MoFA, Ministry of Finance and other Government Agencies to improve the doing business timeline. The Agency also held inward missions to bring public awareness on the disclosures and procedures of the various Agencies.

#### 5. Export Promotion

GO-Invest attended expositions and connected local businesses to markets in Cuba, Peru, China, and Guadeloupe.

##### *Local Expos and Trade Show*

GO-Invest participated and assisted in the coordination and gave support to a number of local expos, including in Berbice, Corentyne, Linden, Anna Regina and Liliendaal.

##### *Webinars*

GO-Invest collaborated with the IADB and IICA, as well as, the Canadian High Commission to educate Agricultural Producers in accessing foreign markets. One webinar on “Enhancing the Agriculture Capacity in the Caribbean” facilitated 19 local businesses while the other informed 30 local produce suppliers of the requirements to export fruits and vegetables to the Canadian market.

##### *Diaspora Investment Seminar, New York*

GO-Invest assisted in the coordination and participated in the 2016 Guyana Diaspora Investment Seminar. The GO-Invest CEO made a presentation to approximately 160 potential investors on doing business in Guyana. Many companies engaged in discussions with GO-Invest however, none were able to

access fiscal incentives because their project proposals did not pass the due diligence stage.

### *Caribbean Week of Agriculture*

GO-Invest participated in the Caribbean Week of Agriculture Activities held in the Cayman Islands. The discussions centered around value added for coconut and cassava and phytosanitary measures for their export within the region.

### *Public Relations/Awareness*

The Agency executed an Agreement with Advertising & Marketing Services to brand the Investment Magazine, 'Invest Guyana' as the official publication of the Guyana Office for Investment. Additionally, the Agency's website was upgraded and updated content uploaded, however, much work was still to be carried out to bring the Agency fully on line.

The Agency published a Spanish language brochure with plans to produce a Portuguese language brochure in 2017.

## **6. Training and Capacity Building**

Agency employees received training in the following areas:

- Anti-Money Laundering and Financing of Terrorism, National Risk Assessment
- General Communication;
- Administrative Services;
- Monitoring and Evaluation;
- IDB/CIPS Level 2 Procurement;
- Competition Law and Policy.



## *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: 57/2018

01 March 2018

REPORT OF THE AUDITOR GENERAL  
TO THE MEMBERS OF THE BOARD OF DIRECTORS  
OF THE GUYANA OFFICE FOR INVESTMENT  
ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

### *Opinion*

I have audited the financial statements of the Guyana Office for Investment, which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view, in all material respects, the financial position of the Guyana Office for Investment as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### *Basis for Opinion*

I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Guyana Office for Investment in accordance with the ethical requirements that are relevant to my audit of the financial statements in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Responsibilities of Management and those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the IFRSs 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.

In preparing the financial statements, management is responsible for assessing the Guyana Office for Investment's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations.

*Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of my audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Guyana Office for Investment internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Guyana Office for Investment ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2016

	NOTE	<u>2016</u> \$	<u>2015</u> \$
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	3	35,098,921	23,876,869
<b>CURRENT ASSETS</b>			
Inventory		2,053,441	1,588,099
Accounts Receivable	4	107,630	1,427,510
Cash and Cash Equivalents	5	38,328,257	33,561,501
Prepayments	6	923,926	766,988
		<u>41,413,254</u>	<u>37,344,098</u>
<b>TOTAL ASSETS</b>		<u><u>76,512,175</u></u>	<u><u>61,220,967</u></u>
<b><u>EQUITY AND LIABILITIES</u></b>			
Government Grants / International Donations	7	29,753,860	17,621,906
Retained Earnings	8	<u>40,801,723</u>	<u>41,174,560</u>
<b>TOTAL EQUITY</b>		70,555,583	58,796,466
<b>CURRENT LIABILITIES</b>			
Accounts Payable		450,711	423,020
Accruals	9	<u>5,505,881</u>	<u>2,001,481</u>
<b>TOTAL CURRENT LIABILITIES</b>		5,956,592	2,424,501
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>76,512,175</u></u>	<u><u>61,220,967</u></u>

The accompanying notes form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors on February ....., 2018 and signed on its behalf by:



.....  
Chairperson - Board of Directors



.....  
Chief Executive Officer

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2016

	NOTE	2016 \$	2015 \$
<b>INCOME</b>			
Government - Current Subvention	10	126,171,847	114,594,283
Revision of Wages & Salaries		0	581,009
Deferred Income		9,457,082	2,029,506
Other Income		5,033,433	7,068,454
		<u>140,662,362</u>	<u>124,273,252</u>
<b>LESS EXPENDITURE</b>			
Employment Costs	11	70,879,964	52,691,821
Materials, Equipment & Supplies	12	4,076,978	4,816,149
Fuel & Lubricants		1,169,545	544,935
Maintenance of Building	13	12,917,288	7,468,346
Maintenance of Infrastructure		34,360	0
Transport, Travel & Services	14	5,425,515	1,570,415
Utility Charges	15	5,808,485	6,196,029
Other Services Purchased	16	30,838,246	40,611,145
Education Subvention		410,122	835,256
Other Miscellaneous	17	3,466,029	3,320,160
Loss on Foreign Currency		0	3,425
		<u>135,026,532</u>	<u>118,057,681</u>
		5,635,830	6,215,571
Gain on Foreign Currency		899	0
Prior Year Adjustments		<u>(192,791)</u>	<u>271,481</u>
		5,443,938	6,487,052
<b>LESS</b>			
Bad Debts		0	0
Depreciation		4,906,873	3,433,007
Disposal of Assets		909,902	76,500
		<u>5,816,775</u>	<u>3,509,507</u>
		<u>(372,837)</u>	<u>2,977,545</u>
Surplus / (Deficit) - (to Balance Sheet)		<u>(372,837)</u>	<u>2,977,545</u>

The accompanying notes form an integral part of these Financial Statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b><u>OPERATING ACTIVITIES</u></b>		
Surplus / (Deficit) from Operations	(372,837)	2,977,545
Adjustments for :		
Depreciation & Amortisation	4,906,873	3,433,007
Disposal of Non-Current Assets	909,902	76,500
<b>Operating Profit Before Working Capital Changes</b>	<u>5,443,938</u>	<u>6,487,052</u>
(Increase) / Decrease in Inventory	(465,342)	(859,752)
(Increase) / Decrease in Accounts Receivable	1,319,880	1,068,493
(Increase) / Decrease in Prepayments	(156,938)	(22,308)
Increase / (Decrease) in Accounts Payable	27,691	399,520
Increase / (Decrease) in Provision For Accrued Expenses	3,504,400	(4,611,135)
	<u>4,229,691</u>	<u>(4,025,182)</u>
<b>Net Cash Generated From Operations</b>	9,673,629	2,461,870
<b><u>INVESTMENT ACTIVITIES</u></b>		
Additions/Donations to Non-Current Assets	428,181	(151,983)
Purchase of Non-Current Assets	(17,467,008)	(4,240,318)
<b>Net Cashflow Generated From Investing Activities</b>	<u>(17,038,827)</u>	<u>(4,392,301)</u>
<b><u>FINANCING ACTIVITIES</u></b>		
Government Grants / International Donations	26,499,925	6,151,983
Amortisation of Grants	(4,906,873)	(3,433,007)
Transfer of Funds for Capital Expenses	(9,457,082)	(2,029,506)
Refund of Subventions	(4,016)	0
<b>Net Cashflow Generated From Financing Activities</b>	<u>12,131,954</u>	<u>689,470</u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	4,766,756	(1,240,961)
<b><u>INCREASE / (DECREASE) IN CASH AND EQUIVALENTS</u></b>		
Cash and Cash Equivalents at the beginning of the year	33,561,501	34,802,462
Net Increase / (Decrease) in Cash and Cash Equivalents	4,766,756	(1,240,961)
<b>Cash And Cash Equivalents At The End Of The Year</b>	<u><u>38,328,257</u></u>	<u><u>33,561,501</u></u>

## STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED DECEMBER 31, 2016

DETAILS	RETAINED EARNINGS \$	CAPITAL SUBVENTION & GOG CONTRIBUTIONS / DONATIONS \$	TOTAL \$
Balance as at January 1, 2016	41,174,560	17,621,906	58,796,466
Capital Supplementary		26,499,925	26,499,925
Transfer of funds for Other Capital Expenses		(9,457,082)	(9,457,082)
Refund of Revenue		(4,016)	(4,016)
Net Surplus/Deficit for 2016	(372,837)		(372,837)
Amortisation of Government Grants		(4,906,873)	(4,906,873)
<b>Balance as at December 31, 2016</b>	<b>40,801,723</b>	<b>29,753,860</b>	<b>70,555,583</b>



## GUYANA OFFICE FOR INVESTMENT EXPLANATORY NOTES TO THE ACCOUNTS JANUARY TO DECEMBER 2016

The accompanying notes form an integral part of these Financial Statements.

### NOTE 1 INCORPORATION AND PRINCIPAL ACTIVITIES

The Guyana Office for Investment, a semi-autonomous Agency, was established in 1994 by an Act of Parliament: The Public Corporations Act No. 21 of 1988. Its mission is to "contribute to Guyana's economic development, by promoting and facilitating local and foreign private sector investment and exports in accordance with the country's approved investment and export strategies". GO-Invest falls under the direct purview of the Ministry of Business.

### NOTE 2 BASIS OF PREPARATION

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), except where specifically stated, and are presented in Guyana Dollars (GYD\$).

#### Significant Accounting Policies

The principal accounting policies applied in the preparation of the financial statements of GO-Invest are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

#### Basis of Accounting

The accounts are prepared under the historical cost convention and modified to include the revaluation of assets where necessary.

#### Property, Plant & Equipment

Equipment with a cost of \$50,000 or more per unit and a useful life of 1 year or more at full cost are capitalised. Items not meeting the capitalisation criteria when purchased are expensed out.

The carrying amount of Plant & Equipment is arrived at using the Cost Model. An asset is depreciated over its estimated useful life using the reducing balance basis. The principal annual rates applied are:

Motor Vehicles	25%
Office Furniture & Equipment - Electrical Items	15%
Office Furniture & Equipment - Non-Electrical Items	10%

#### Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is arrived at using the first-in, first-out method.

## GUYANA OFFICE FOR INVESTMENT EXPLANATORY NOTES TO THE ACCOUNTS JANUARY TO DECEMBER 2016

### Government Grants

A Government Grant is recognised only when there is reasonable assurance that the grant will be received and any conditions attached to it will be complied with. The grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses, the related costs for which the grants are intended to compensate.

Grants used for the acquisition or improvement of non-current assets are presented in the Statement of Financial Position at the carrying amount. The carrying amount for items of Plant & Equipment is arrived at by setting up the grant as deferred income and amortising same over the expected useful life of the assets. Funds expended to make improvements to the property are treated as "Other Income" and the related costs expensed in the period in which they were incurred since the property is not owned by GO-Invest.

Grants received for immediate financial support, with no future related costs, are recognised in the Statement of Comprehensive Income as "Income - Current Subventions" in the period in which they are received and alternatively, are deducted as "Expenditure" in reporting the related expenses.

### Income and Expenditure Recognition

Income and expenditure are recognised on an accrual basis.

### Foreign Currency Transactions

Transaction in currencies other than Guyana dollars are translated to the Guyana dollar equivalent at the rates of exchange ruling at the dates of such transaction. Monetary assets and / or liabilities that are denominated in foreign currencies are translated to the Guyana dollar at the foreign exchange rates prevailing on the reporting date.

Where available, official rates from the Bank of Guyana are used to convert foreign currencies to local dollars. In the absence of official rates, an average based on cambio exchange rates is used.

Gains and losses arising from the transaction of foreign currencies are included in the statement of comprehensive income.

### Key Management Personnel & Directors Remuneration

**Key Management Personnel:** The two (2) key management employees for the year 2016 were Mr. Wainwright Owen Verwey and Mrs. Roxanne Sumner. The annual basic salaries paid to them were:-

Mr. Wainwright Owen Verwey	\$9,622,413
Mrs. Roxanne Sumner	\$4,877,053

## GUYANA OFFICE FOR INVESTMENT EXPLANATORY NOTES TO THE ACCOUNTS JANUARY TO DECEMBER 2016

**Board of Directors:** The Board of Directors comprised of representatives from the Public and Private Sectors. Their names and stipend paid for the year were:-

	\$
Ms. Patricia Bacchus	180,000
Mr. Rajandra Singh	100,000
Mr. Michael Hutson	80,000
Dr. Shamir Ally	120,000
Mr. Basil Blackman	120,000
Ms. Euliene Watson	120,000
Mr. Ramesh Persaud	120,000
Dr. Hansranie Seebaran	120,000
Ms. Deborah Yaw	100,000
Mr. Kenneth Jordan	120,000
Mr. Durwin Humphrey	30,000

### NOTE 3 PROPERTY, PLANT & EQUIPMENT

	<i>Office Furniture &amp; Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
	\$	\$	\$
<b>Cost</b>			
Cost as at 1/1/2016	47,134,385	12,979,663	60,114,048
Additions for 2016	11,117,008	6,350,000	17,467,008
Disposals for 2016	-2,987,685	-2,600,000	-5,587,685
Return of Asset to Supplier	-428,181	0	-428,181
	<u>54,835,527</u>	<u>16,729,663</u>	<u>71,565,190</u>
<b>Depreciation</b>			
Accumulative Depreciation as at 1/1/2016	24,275,556	11,961,623	36,237,179
Acc. Depreciation on Disposed Asset	-2,432,071	-2,245,712	-4,677,783
Depreciation for 2016	3,552,037	1,354,836	4,906,873
	<u>25,395,522</u>	<u>11,070,747</u>	<u>36,466,269</u>
<b>Net Book Value as at 31/12/2016</b>	<u>29,440,005</u>	<u>5,658,916</u>	<u>35,098,921</u>
<b>Net Book Value as at 31/12/2015</b>	<u>22,858,829</u>	<u>1,018,040</u>	<u>23,876,869</u>

GUYANA OFFICE FOR INVESTMENT  
EXPLANATORY NOTES TO THE ACCOUNTS  
JANUARY TO DECEMBER 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>NOTE 4</b> <u>ACCOUNTS RECEIVABLE</u>		
47/007 Accounts Receivable	0	1,337,754
47/010 Debtors - Advance for Expenditure	0	95,048
47/011 Advance for Foreign Currency	30,030	-5,292
48/009 Advance for Stocks	77,600	0
	107,630	1,427,510
 <b>NOTE 5</b> <u>CASH AND CASH EQUIVALENTS</u>		
Foreign Currency Float - USD	50,025	62,114
Foreign Currency Float - Others	137,125	135,851
Cash at Bank	38,089,087	33,313,536
Stamp Float	2,020	
Petty Cash	50,000	50,000
	38,328,257	33,561,501
 <b>NOTE 6</b> <u>PREPAYMENTS</u>		
Renewal of newspaper subscriptions		
Chronicle	64,760	64,800
Stabroek	64,280	64,320
Insurance for employees	169,521	248,185
Insurance for building	248,160	171,107
Insurance for vehicles		
PKK 7840	157,395	157,519
PVV 3784	219,810	61,057
PHH 6985	0	0
	923,926	766,988

# GUYANA OFFICE FOR INVESTMENT

## GUYANA OFFICE FOR INVESTMENT EXPLANATORY NOTES TO THE ACCOUNTS JANUARY TO DECEMBER 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>NOTE 7</b>		
<b><u>GOVERNMENT GRANTS / INTERNATIONAL DONATIONS</u></b>		
This amount represents the accumulated amounts received from the Ministry of Finance through the Agency's subject Ministries for capital works and donations received from International Agencies. Details are as follows:		
Total Capital Subventions	57,347,217	40,304,374
Refunds to Ministry of Finance	4,016	0
	<u>57,343,201</u>	<u>40,304,374</u>
Contributions / Donations	30,445,689	30,445,689
	<u>87,788,890</u>	<u>70,750,063</u>
Accumulated Amortization	58,035,030	53,128,157
	<u>29,753,860</u>	<u>17,621,906</u>
<b>NOTE 8</b>		
<b><u>RETAINED EARNINGS</u></b>		
Amounts were retained and transferred to the Statement of Financial Position with effect from the year 2006. Previously, unspent balances on subventions were refunded to the Ministry of Finance.		
<b>NOTE 9</b>		
<b><u>PROVISION FOR ACCRUED EXPENSES</u></b>		
Balance b/f	2,001,481	6,612,616
Less Payments made	2,001,481	6,612,616
<b>Balance Available</b>	<b>0</b>	<b>0</b>
Add Provision for the Year	5,505,881	2,001,481
	<u>5,505,881</u>	<u>2,001,481</u>
<b>NOTE 10</b>		
<b><u>GOVERNMENT OF GUYANA SUBVENTIONS - CURRENT</u></b>		
This amount represents the annual subventions for current expenditure received from the Ministry of Finance through the Ministry of Business to meet operational costs.		
Subvention received	159,029,103	141,410,000
Less Refund of Revenue	32,857,256	26,815,717
	<u>126,171,847</u>	<u>114,594,283</u>



# GUYANA OFFICE FOR INVESTMENT

## GUYANA OFFICE FOR INVESTMENT EXPLANATORY NOTES TO THE ACCOUNTS JANUARY TO DECEMBER 2016

		<u>2016</u>	<u>2015</u>
		\$	\$
NOTE 11	<b><u>EMPLOYMENT COST</u></b>		
6111	Administrative	18,117,856	4,608,600
6112	Senior Technical	21,578,437	16,914,109
6113	Other Technical & Craft Skilled	3,556,599	3,149,046
6114	Clerical & Office Support	6,300,567	6,024,469
6115	Semi-skilled Oper & Unskilled	1,988,935	1,411,594
6117	Temporary Employees	777,615	2,346,720
6131	Other Direct Labour Cost	2,457,874	3,489,645
6133	Benefits & Allowances	9,243,566	8,732,083
6134	National Insurance	3,015,105	2,551,159
6135	Pensions	3,318,410	
6141	Revision of Wages & Salaries	525,000	3,464,396
		<u>70,879,964</u>	<u>52,691,821</u>
NOTE 12	<b><u>MATERIALS, EQUIPMENT &amp; SUPPLIES</u></b>		
6221	Drugs & Medical Supplies	39,200	35,160
6223	Office Material & Supplies	1,835,659	1,417,622
6224	Print & Non-Print Materials	2,202,119	3,363,367
		<u>4,076,978</u>	<u>4,816,149</u>
NOTE 13	<b><u>MAINTENANCE OF BUILDING</u></b>		
6242	Maintenance of Building	2,803,673	4,812,794
6243	Janitorial & Cleaning Supplies	656,533	626,046
47/002(c)	Other Capital Expenditure	9,457,082	2,029,506
		<u>12,917,288</u>	<u>7,468,346</u>

		<u>2016</u>	<u>2015</u>
		\$	\$
<b>NOTE 14</b>	<b><u>TRANSPORT, TRAVEL &amp; SERVICES</u></b>		
6261	Local Travel & Subsistence	1,745,337	1,281,326
	Local Travel & Sub. - Field Trip	1,169,387	
	Local Travel & Sub. - Subsistence	575,950	
6263	Postage, Telex & Cablegram	148,386	32,584
6264	Vehicle Spares & Services	<u>3,531,792</u>	<u>256,505</u>
		<u>5,425,515</u>	<u>1,570,415</u>
<b>NOTE 15</b>	<b><u>UTILITY CHARGES</u></b>		
6271	Telephone Charges	1,423,097	1,462,478
6272	Electricity Charges	4,337,705	4,700,664
6273	Water Charges	<u>47,683</u>	<u>32,887</u>
		<u>5,808,485</u>	<u>6,196,029</u>
<b>NOTE 16</b>	<b><u>OTHER SERVICES PURCHASED</u></b>		
6281	Security Services	5,695,934	7,349,754
6282	Equipment Maintenance	2,103,329	2,791,604
6283	Cleaning & Extermination Services	553,523	649,373
6284	Other Services Purchased	22,485,460	29,820,414
	Other Ser Pur.- Trade Expo	11,137,911	
	Other Ser Pur.- Outward Missions	417,994	
	Other Ser Pur.- Advertisements	3,299,512	
	Other Ser Pur.- Donations	333,160	
	Other Ser Pur.- Insurance	1114767	
	Other Ser Pur.- Others	6,182,116	
		<u>30,838,246</u>	<u>40,611,145</u>
<b>NOTE 17</b>	<b><u>OTHER MISCELLANEOUS</u></b>		
6291	National & Other Events	419,994	102,750
6293	Refreshments and Meals	816,792	889,539
6294	Other Charges	<u>2,229,243</u>	<u>2,327,871</u>
		<u>3,466,029</u>	<u>3,320,160</u>