

**AUDITED FINANCIAL STATEMENTS OF THE
GUYANA GOLD BOARD**

**FOR THE YEAR ENDED
31 DECEMBER 2013**

**CONTRACTED AUDITORS: TSD LAL & CO.
77 BRICKDAM
GEORGETOWN**

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

**AUDITED FINANCIAL STATEMENTS OF THE
GUYANA GOLD BOARD
FOR THE YEAR ENDED 31 DECEMBER 2013**

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Audit Office of Guyana

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88/SO: 13/2/2015

April 21, 2015

Dr. Gobin Ganga
Chairman – Board of Directors
Guyana Gold Board
Upper Brickdam
Georgetown.

Dear Dr. Ganga,

AUDIT OF THE FINANCIAL STATEMENTS OF
THE GUYANA GOLD BOARD
FOR THE YEAR ENDED 31 DECEMBER 2013

Please find attached seven (7) 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,


Nichette Harcourt
Audit Manager (ag.)
for 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: 27/2015

April 21, 2015

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

Chartered Accountants TSD Lal and Company have audited on my behalf the financial statements of Guyana Gold Board for the year ended 31 December 2013, as set out on pages 2 to 22. 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.

As required by the Audit Act 2004, I have reviewed the audit plan and procedures, working papers, report and opinion of the Chartered Accountants. I have also had detailed discussions with the Chartered Accountants on all matters of significance to the audit and had carried out additional examinations, as necessary, in arriving at my opinion.

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 of the financial position of the Guyana Gold Board 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.

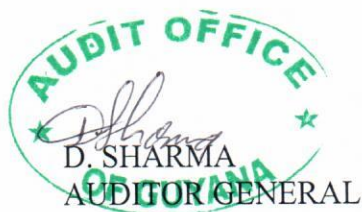
Emphasis of matter

Without qualifying my opinion:

- 1) I draw attention to note 3(i) of the financial statements. Management has represented to me that the Guyana Gold Board is exempted from Corporation and Property Taxes. I am unable to ascertain the relevant authority that gives legal effect to this exemption. The Guyana Gold Board has not paid any Corporation or Property Taxes since its formation and no provision for such taxes has been made in these financial statements.
- 2) The financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the liquidation of liabilities in the normal course of business. At 31 December 2013 the Guyana Gold Board made a loss of G\$9,938,587,235 and current liabilities exceeded current assets by G\$273,392,944.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Guyana Gold Board Act 1981.



AUDIT OFFICE OF GUYANA
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA.

**INDEPENDENT AUDITORS' REPORT
TO THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS
OF THE GUYANA GOLD BOARD
FOR THE YEAR ENDED 31 DECEMBER 2013**

Report on the Financial Statements

We have audited the accompanying financial statements of Guyana Gold Board which comprise the statement of financial position as at 31 December 2013, the statement of 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 notes as set out on pages 2 to 22.

Directors'/Management's Responsibility for the Financial Statements

The Directors/ Management are 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' 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 accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Guyana Gold Board 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.

Emphasis of matter

Without qualifying our opinion:-

- (1) We draw attention to note 3(i) of the financial statements. Management has represented to us that the Guyana Gold Board is exempted from Corporation and Property Taxes. We were unable to ascertain the relevant authority that gives legal effect to this exemption. The Guyana Gold Board has not paid any Corporation or Property taxes since its formation and no provision for such taxes has been made in the financial statements.
- (2) The financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the liquidation of liabilities in the normal course of business. At 31 December 2013 the Guyana Gold Board made a loss of G\$9,938,587,235 and current liabilities exceeded current assets by G\$ 273,392,944.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Guyana Gold Board Act 1981.

TSD 6286

TSD LAL & CO.

CHARTERED ACCOUNTANTS

Date: December 31, 2014

77 Brickdam,
Stabroek, Georgetown,
Guyana

GUYANA GOLD BOARD

STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

| | <u>Notes</u> | <u>2013</u> G\$ | <u>2012</u> G\$ |
|-------------------------|--------------|-------------------------------|-----------------------------|
| Sales | 5 | 76,885,761,899 | 99,183,472,672 |
| Cost of Sales | 6 | <u>(86,544,106,091)</u> | <u>(99,351,714,482)</u> |
| Gross loss | | (9,658,344,192) | (168,241,810) |
| Other income | 7 | <u>20,859,915</u> | <u>19,450,374</u> |
| Operating loss | | (9,637,484,277) | (148,791,436) |
| Administrative expenses | 8 | <u>(301,102,958)</u> | <u>(332,511,770)</u> |
| Net loss for the year | 9 | <u><u>(9,938,587,235)</u></u> | <u><u>(481,303,206)</u></u> |

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

GUYANA GOLD BOARD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

| | Government <u>contribution</u> G\$ | Accumulated <u>surplus/(deficit)</u> G\$ | <u>Total</u> G\$ |
|-----------------------------|--|--|-------------------------------|
| Balance at 1 January 2012 | 108,577,100 | 1,384,008,694 | 1,492,585,794 |
| Net loss for the year | <u>-</u> | <u>(481,303,206)</u> | <u>(481,303,206)</u> |
| Balance at 31 December 2012 | 108,577,100 | 902,705,488 | 1,011,282,588 |
| Net loss for the year | <u>-</u> | <u>(9,938,587,235)</u> | <u>(9,938,587,235)</u> |
| Balance at 31 December 2013 | <u><u>108,577,100</u></u> | <u><u>(9,035,881,747)</u></u> | <u><u>(8,927,304,647)</u></u> |

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

GUYANA GOLD BOARD

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

| | <u>Notes</u> | <u>2013</u> G\$ | <u>2012</u> G\$ |
|-------------------------------------|--------------|------------------------|-----------------------|
| ASSETS | | | |
| Non Current Asset | | | |
| Plant and equipment | 10 | <u>77,719,091</u> | <u>93,210,675</u> |
| Current assets | | | |
| Inventories | 11 | 11,868,498,302 | 15,579,229,796 |
| Accounts receivable and prepayments | 12 | 59,622,905 | 362,035,894 |
| Cash on hand and at bank | 13 | <u>1,115,244,882</u> | <u>44,270,208</u> |
| | | <u>13,043,366,089</u> | <u>15,985,535,898</u> |
| TOTAL ASSETS | | <u>13,121,085,180</u> | <u>16,078,746,573</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Government contribution | 14 | 108,577,100 | 108,577,100 |
| Accumulated surplus/(deficit) | | <u>(9,035,881,747)</u> | <u>902,705,488</u> |
| | | <u>(8,927,304,647)</u> | <u>1,011,282,588</u> |
| Non current liabilities | | | |
| Advance from Ministry of Finance | 15 | <u>8,731,630,794</u> | <u>8,731,630,794</u> |
| Current liabilities | | | |
| Accounts payable | 16 | 860,603,290 | 1,178,642,832 |
| Bank overdraft(unsecured) | 17 | <u>12,456,155,743</u> | <u>5,157,190,359</u> |
| | | <u>13,316,759,033</u> | <u>6,335,833,191</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>13,121,085,180</u> | <u>16,078,746,573</u> |

These financial statements were approved by the board of directors on 31/12/2014..

On behalf of the board:

Director

Director

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

GUYANA GOLD BOARD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

| | <u>2013</u> G\$ | <u>2012</u> G\$ |
|--|-------------------------|-------------------------|
| Operating activities | | |
| Net loss for the year | (9,938,587,235) | (481,303,206) |
| Adjustment for: | | |
| Loss on disposal of fixed assets | 7,872 | - |
| Fixed assets(net) | - | 24,402 |
| Depreciation | <u>19,057,160</u> | <u>16,846,149</u> |
| Operating loss before working capital changes | (9,919,522,203) | (464,432,655) |
| Decrease in inventories | 3,710,731,494 | 5,347,706,359 |
| Decrease/(increase) in accounts receivable and prepayments | 302,412,989 | (324,142,751) |
| Increase in advance from Ministry of Finance | - | 2,373,165,067 |
| (Decrease)/increase in accounts payable | <u>(318,039,542)</u> | <u>445,137,189</u> |
| Net cash (used in)/provided by operating activities | <u>(6,224,417,262)</u> | <u>7,377,433,209</u> |
| Investing activities | | |
| Purchase of plant and equipment | <u>(3,573,448)</u> | <u>(26,337,509)</u> |
| Net cash used in investing activities | <u>(3,573,448)</u> | <u>(26,337,509)</u> |
| (Decrease)/increase in cash and cash equivalent | (6,227,990,710) | 7,351,095,700 |
| Cash and cash equivalent at the beginning of the year | <u>(5,112,920,151)</u> | <u>(12,464,015,851)</u> |
| Cash and cash equivalent at the end of the year | <u>(11,340,910,861)</u> | <u>(5,112,920,151)</u> |
| Cash and cash equivalent comprise of: | | |
| Cash on hand and at bank | 1,115,244,882 | 44,270,208 |
| Bank overdraft | <u>(12,456,155,743)</u> | <u>(5,157,190,359)</u> |
| | <u>(11,340,910,861)</u> | <u>(5,112,920,151)</u> |

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

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

1 Incorporation and activities

The Guyana Gold Board was formed under the Act of Parliament which is referred to as the Guyana Gold Board Act 1981. Its principal activities as defined in section 4 are as follows:-

- (a) To carry on the business of trading in gold ;
- (b) To secure at all times an adequate supply of gold and to ensure its equitable distribution in Guyana at fair prices;
- (c) To purchase all gold produced in Guyana;
- (d) To sell all gold in and out of Guyana;
- (e) To engage in other related commercial or industrial activities.

Under regulation 4 of 1997 made under the Guyana Gold Board Act 1981, the Board may issue an authorization to possess, sell or export gold produced in Guyana. The gold held by dealers can either be exported or sold to the Board directly. At 31 December 2012-Ten (10) - 2011-seven (7) such dealers were licensed.

The Guyana Gold Board entered into an agency agreement with Mitsui & Co Precious Metals Inc on 8 July 2002 for the sale of its gold overseas. Under this arrangement the agent informs the Board of offer price. The Board then considers the price offer and advises the agent (Mitsui & Co Precious Metals Inc) whether to sell. Mitsui and Co Precious Metals Inc does not earn any commission from the Board on sale of gold .

2 New and revised standards and interpretations

Effective for the current year end

| New and Amended Standards | Effective for annual periods beginning on or after |
|--|---|
| IFRS 10 Consolidated Financial Statements | 1 January 2013 |
| IFRS 11 Joint Arrangements | 1 January 2013 |
| IFRS 12 Disclosure of Interests in Other Entities | 1 January 2013 |
| IFRS 13 Fair Value Measurement | 1 January 2013 |
| IAS 19 Amendments to IAS 19 – Employee Benefits | 1 January 2013 |
| IAS 27(2011) Separate Financial Statements | 1 January 2013 |
| IAS 28(2011) Investments in Associates and Joint Ventures | 1 January 2013 |
| IAS 1(2011) Amendments to IAS 1 – Presentation of Other Comprehensive Income | 1 July 2012 |
| IFRS 7 Financial Instruments - Offsetting Financial Assets and Financial Liabilities | 1 January 2013 |
| IFRS 1 First-time Adoption of International Financial Reporting Standards (Government loans) | 1 January 2013 |

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

2 New and revised standards and interpretations-cont'd

Effective for the current year end-cont'd

| | Effective for annual periods beginning on or after |
|---|---|
| New and Amended Standards-cont'd | |
| IFRS 1 Amendments as part of improvements to IFRSs 2011 | 1 January 2013 |
| IAS 1 Amendments as part of improvements to IFRSs 2011 | 1 January 2013 |
| IAS 16 Amendments as part of improvements to IFRSs 2011 | 1 January 2013 |
| IAS 32 Amendments as part of improvements to IFRSs 2011 | 1 January 2013 |
| IAS 34 Amendments as part of improvements to IFRSs 2011 | 1 January 2013 |
| IFRS 10 Consolidated Financial Statements | |
| (Transitional arrangements) | 1 January 2013 |
| IFRS 11 Joint Arrangements (Transitional arrangements) | 1 January 2013 |
| IFRS 12 Disclosure of Interests in Other Entities | |
| (Transitional arrangements) | 1 January 2013 |

New interpretation

| | |
|--|----------------|
| IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine | 1 January 2013 |
|--|----------------|

Available for early adoption for the current year end

New and Amended Standards

| | |
|--|----------------|
| IFRS 7 Financial Instruments: Disclosures | 1 January 2017 |
| IFRS 9 Financial Instruments: Classification and Measurement | 1 January 2017 |
| IFRS 9 Additions for Financial Liability Accounting | 1 January 2017 |
| IFRS 10 Consolidated Financial Statements (Exemptions) | 1 January 2014 |
| IFRS 12 Disclosure of Interests in Other Entities (Exemptions) | 1 January 2014 |
| IAS 19 Employee Benefits | 1 July 2014 |
| IAS 27 Separate Financial Statements (Exemptions) | 1 January 2014 |
| IAS 32 Financial Instruments - Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| IAS 36 Impairment of Assets | 1 January 2014 |
| IAS 39 Financial Instruments: Recognition and Measurement | 1 January 2014 |

New interpretation

| | |
|-----------------|----------------|
| IFRIC 21 Levies | 1 January 2014 |
|-----------------|----------------|

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

2 New and revised standards and interpretations-cont'd

The Board has not opted for early adoption.

The standards and amendments that are expected to have a material impact on the Board's accounting policies when adopted are explained below.

IFRS 7

This standard is closely linked to IFRS 9. In December 2011, the IASB issued an amendment which modifies the relief from restating comparative periods and the associated disclosures.

IFRS 9

IFRS 9 was issued in November 2009 and was initially required to be applied from 1 January 2013. However, new requirements were added in November 2010 and the revised date for adoption was set for 1 January 2015. However, in November 2013, consequential amendments were issued which removed the mandatory effective date. At a meeting the IASB tentatively decided that the mandatory effective date will be no earlier than annual periods beginning on or after 1 January 2017.

This standard specifies how an entity should classify and measure its financial assets. The application of IFRS 9 may have significant impact on amounts reported in respect of the Board's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed. When adopted, the standard will be applied retrospectively in accordance with IAS 8

IAS 32

Amends the disclosure requirements in IFRS 7 Financial Instruments, to require information about all recognised financial instruments that are set off.

The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements.

The directors do not anticipate that the application of these amendments to IAS 32 and IFRS 7 will have a significant impact on the Board's financial statements as the Board does not have any financial assets and financial liabilities that qualify for offset.

IAS 36

This amendment reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed. It clarifies the disclosures required and introduces an explicit requirement to disclose the discount rate used in determining impairment or reversals where recoverable amount is determined using a present value technique.

The directors anticipate that the application of this amendment may have a significant impact on amounts reported in respect of the Board's financial assets and financial liabilities. However it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

2 New and revised standards and interpretations-cont'd

IAS 39

This amendment relates to Hedge accounting.

The directors anticipate that this amendment will have no effect on the Board's financial statements as the Board does not engage in such activities.

IFRIC 21

This provides guidance on when to recognise a liability for a levy imposed by a government.

The directors anticipate that this interpretation will have no effect on the Board's financial statements as the Board is not subject to this.

3 Summary of significant accounting policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention as modified for revaluation of fixed assets and the accounting policies conform with International Financial Reporting Standards.

(b) Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets, other than work in progress, over their estimated useful lives using the straight line method as follows:

| | |
|---|---------|
| Furniture, fixtures and fittings | -10% |
| Office Equipment | -12.50% |
| Motor Vehicles | -25% |
| Laboratory and smelting room renovation | -25% |
| Computer software | -25% |

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies-cont'd

(c) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises of the weighted average method of valuation. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in the marketing, selling and distribution.

(d) Foreign currency transactions

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized directly in equity.

(e) Revenue and expense recognition

Local Sales

The Board recognizes revenue from local sales when the customer takes possession of the gold. Prices are fixed according to the London Daily Fix at the time of the sale. Local sales are made directly to Goldsmiths.

Foreign Sales

The Board recognizes revenue when Bank of Guyana acknowledges receipt from Mitsui & Co Precious Metals Inc. Smelted gold is sent to Royal Canadian Mint where it is refined and then marketed through its agent-Mitsui & Co Precious Metals Inc. The agent makes payment on sales contract when gold has been transferred to the agent's account.

Sale of refined gold is marketed as follows:-

- (i) Spot transactions
- (ii) Forward transactions
- (iii) Option transactions

There were no forward nor option contracts entered into by the Board during the year.

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

- 3 Summary of significant accounting policies- cont'd
(e) Revenue and expense recognition-cont'd

Expenses

Expenses are recognised on an accrual basis.

- (f) Impairment of tangible assets

At each reporting date, the Board reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Board estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

- (g) Provisions

Provisions are recognised when the Board has a present obligation (legal or constructive) as a result of a past event, it is probable that the Board will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies -cont'd

(h) Financial instruments

Financial assets and liabilities are recognized on the Board's statement of financial position when the Board becomes a party to the contractual provisions of the instruments.

Accounts receivable and prepayments

Accounts receivable and prepayments are measured at amortised cost.

Accounts payable

Accounts payable are recognized at amortised cost.

Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investments or other purposes. These are readily convertible to a known amount of cash, with maturity dates of three (3) months or less.

(i) Taxation

The Guyana Gold Board is exempt from Corporation and Property Taxes

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies- cont'd

(j) Purchases

Purchases of gold are made based on the London daily fix per ounce of gold quoted in United States dollar(US\$). The payment for gold purchased is based on an assumed purity with a payout factor of the average historical result from assaying. An initial payment is made after a deduction of G\$4.25 per ounce from the average US\$:G\$ exchange rates obtained from six commercial banks. Payment made on the payout factor is adjusted when actual assaying results are determined. For results higher than the payout factor, the Board pays the miners an additional amount. For results lower than the payout factor, the miners reimburse the Board with the difference from future transactions.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Board's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

i) Accounts receivable and prepayments

On a regular basis, management reviews accounts receivable and prepayments to assess impairment. Based on information available as to the likely impairment in cash flows, decisions are taken in determining appropriate provisions to be made for impairment.

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

4 Critical accounting judgements and key sources of estimation uncertainty-cont'd Key sources of estimation uncertainty-cont'd

ii) Useful lives of plant and equipment

Management reviews the estimated useful lives of plant and equipment at the end of each year to determine whether the useful lives of plant and equipment should remain the same.

iii) Impairment of financial assets

Management makes judgement at each reporting date to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

| | <u>2013</u> G\$ | <u>2012</u> G\$ |
|------------------------------------|-------------------------|-------------------------|
| 5 Sales | | |
| Local sales | 149,789,475 | 72,120,504 |
| Foreign sales | <u>76,735,972,424</u> | <u>99,111,352,168</u> |
| | <u>76,885,761,899</u> | <u>99,183,472,672</u> |
| 6 Cost of sales | | |
| Inventory at 1 January | 15,579,229,796 | 20,926,936,155 |
| Purchases | 82,701,640,058 | 93,887,193,846 |
| Shipping and refining cost | <u>131,734,539</u> | <u>116,814,277</u> |
| | <u>98,412,604,393</u> | <u>114,930,944,278</u> |
| Inventory at 31 December | <u>(11,868,498,302)</u> | <u>(15,579,229,796)</u> |
| | <u>86,544,106,091</u> | <u>99,351,714,482</u> |
| 7 Other income | | |
| Lease income | 7,602,790 | 5,745,791 |
| Miscellaneous income | 1,257,125 | 3,704,583 |
| Exporter's licence fee(Dealers) | <u>12,000,000</u> | <u>10,000,000</u> |
| | <u>20,859,915</u> | <u>19,450,374</u> |
| 8 Administrative expenses | | |
| Insurance | 24,196,078 | 16,134,920 |
| Employment cost | 85,934,658 | 67,955,203 |
| Depreciation | 19,057,160 | 16,846,149 |
| Auditors' remuneration | 2,649,372 | 2,500,818 |
| Security | 28,966,623 | 28,931,549 |
| Motor vehicle | 2,308,477 | 1,977,858 |
| Sample tests | 20,979,408 | 15,685,000 |
| Legal fees | 1,067,400 | 597,400 |
| Stationery and supplies | 2,841,830 | 2,539,377 |
| Others | 34,067,357 | 15,859,892 |
| Silver payments | 28,797,541 | 90,278,170 |
| Gold burning | 8,498,558 | 7,108,713 |
| Office maintenance | 934,867 | 434,813 |
| Meal allowances | 1,015,791 | 821,199 |
| Staff welfare and training | 1,104,498 | 1,863,719 |
| Telephone, internet and telex | 2,056,529 | 1,382,872 |
| Gifts, donations and hospitality | 2,917,461 | 5,451,642 |
| Stamp expenses | 4,838,537 | 24,624,251 |
| Advertisement | 1,381,965 | 1,520,474 |
| Repairs to equipment and furniture | 1,208,737 | 2,171,193 |
| Books and publications | - | 1,513,760 |
| Bank charges | 569,931 | 480,061 |
| Health and safety | 532,995 | - |
| Entertainment-Others | 571,165 | 668,853 |
| Medical expenses | 1,449,000 | 714,000 |
| Admin Exp-NRE | 18,652,886 | 15,441,870 |
| Repairs & Maintenance-Office | 602,934 | 4,820,814 |
| Directors' fees | <u>3,901,200</u> | <u>4,187,200</u> |
| | <u>301,102,958</u> | <u>332,511,770</u> |

NOTES TO THE FINANCIAL STATEMENTS

| | | 2013 | | 2012 | | | | | |
|----|-----------------------------|--|--------------------------|-----------------|-----------------------------|-------------------------------|-----------------------|----------------------------|-------------|
| | | G\$ | | G\$ | | | | | |
| 9 | Net loss for the year | (9,938,587,235) | | (481,303,206) | | | | | |
| | After charging: | | | | | | | | |
| | Depreciation | 19,057,160 | | 16,846,149 | | | | | |
| | Directors fees(see note 18) | 3,901,200 | | 4,187,200 | | | | | |
| | Auditors' remuneration | 2,649,372 | | 2,500,818 | | | | | |
| 10 | Plant and equipment | | | | | | | | |
| | Cost/valuation | | | | | Total | | | |
| | At 1 January 2013 | Furniture, fixtures & fittings G\$ | Motor vehicles G\$ | Firearms G\$ | Computer software G\$ | Lab & smelting room G\$ | Charity office G\$ | Work in progress G\$ | G\$ |
| | | 9,339,675 | 33,334,410 | 489,016 | 3,422,895 | 80,641,986 | - | 7,739,735 | 180,146,356 |
| | Additions | - | - | - | - | - | 193,345 | - | 3,573,448 |
| | Transfers | - | - | - | - | - | 7,739,735 | (7,739,735) | - |
| | Disposal | (238,300) | - | - | - | - | - | - | (2,980,430) |
| | At 31 December 2013 | 9,101,375 | 33,334,410 | 489,016 | 3,422,895 | 80,641,986 | 7,933,080 | - | 180,739,374 |
| | Represented by | | | | | | | | |
| | Cost | 9,101,375 | 31,654,410 | 489,016 | 3,422,895 | 80,641,986 | 7,933,080 | - | 178,594,374 |
| | Valuation | - | 1,680,000 | - | - | - | - | - | 2,145,000 |
| | | 9,101,375 | 33,334,410 | 489,016 | 3,422,895 | 80,641,986 | 7,933,080 | - | 180,739,374 |
| | Accumulated depreciation | | | | | | | | |
| | At 1 January 2013 | 5,385,553 | 19,139,618 | 489,016 | 3,570,895 | 21,217,944 | - | - | 86,935,681 |
| | Charge for the year | 595,779 | 6,312,500 | - | - | 8,636,834 | 991,635 | - | 19,057,160 |
| | Write back on disposal | (230,428) | - | - | - | - | - | - | (2,972,558) |
| | At 31 December 2013 | 5,750,904 | 25,452,118 | 489,016 | 3,570,895 | 29,854,778 | 991,635 | - | 103,020,283 |
| | Net book values | | | | | | | | |
| | At 31 December 2013 | 3,350,471 | 7,882,292 | - | (148,000) | 50,787,208 | 6,941,445 | - | 77,719,091 |
| | At 31 December 2012 | 3,954,122 | 14,194,792 | - | (148,000) | 59,424,042 | - | 7,739,735 | 93,210,675 |

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

| | 2013 G\$ | 2012 G\$ |
|-------------------------------------|-----------------------|-----------------------|
| 11 Inventories | | |
| <u>Gold</u> | | |
| Laboratory | 198,072,995 | 233,579,392 |
| Bank of Guyana | 808,168,843 | 1,940,683,386 |
| Royal Canadian Mint | 7,303,928,314 | 9,029,085,703 |
| Guyana Geology and Mines Commission | 7,217,586 | 10,585,431 |
| Mitsui & Co Precious Metals Inc.(a) | 2,462,701,729 | 4,849,985,583 |
| Gold available for sale | 11,786,746 | 47,214,487 |
| Bartica | 260,750,107 | 138,403,839 |
| Citizen's Bank-Charity | 642,137,001 | 3,889,546 |
| Adjustment | 2,133,966 | - |
| | <u>11,696,897,287</u> | <u>16,253,427,367</u> |
| Write down of inventory(b) | - | (801,827,104) |
| | <u>11,696,897,287</u> | <u>15,451,600,263</u> |
| <u>Silver</u> | | |
| Royal Canadian Mint | 171,601,015 | 127,629,533 |
| | <u>11,868,498,302</u> | <u>15,579,229,796</u> |

(a) Under the agency arrangement between the Guyana Gold Board and Mitsui & Co Precious Metals Inc., the Board may effect certain sales contract for gold without gold being transferred to the agent's account. Mitsui & Co Precious Metals Inc would normally hold stock balance of 2,000 troy ounces of gold as security deposits for such transactions, which will be available upon settlement of outstanding sales contracts.

(b) Write down of inventory represents difference in valuation between market prices per ounce of Gold and average price per ounce of Gold.

(c) The cost of inventory recognised as expenses during the year amounted to G\$86,544,106,091 (2012-G\$99,351,714,482).

(d) There was no write off of inventories during the year.

(e) All inventories are expected to be recovered within 12 months.

12 Accounts receivable and prepayments

| | 2013 G\$ | 2012 G\$ |
|---------------|-------------------|--------------------|
| Trade debtors | 58,990,233 | 361,179,316 |
| Prepayments | 632,672 | 856,578 |
| | <u>59,622,905</u> | <u>362,035,894</u> |

13 Cash on hand and at bank

| | | |
|--------------------------------|----------------------|-------------------|
| Republic Bank (Guyana) Limited | 71,012,703 | 17,896,772 |
| Citizen's Bank Guyana Limited | 19,226,940 | 19,328,890 |
| Bank of Guyana-US\$ account | 1,020,939,257 | 688,989 |
| Petty Cash-Head Office | 4,015,982 | 6,305,557 |
| Petty Cash-Bartica | 50,000 | 50,000 |
| | <u>1,115,244,882</u> | <u>44,270,208</u> |

14 Government contribution

| | | |
|--|--------------------|--------------------|
| | <u>108,577,100</u> | <u>108,577,100</u> |
|--|--------------------|--------------------|

15 Advances from Ministry of Finance

| | | |
|--|----------------------|----------------------|
| | <u>8,731,630,794</u> | <u>8,731,630,794</u> |
|--|----------------------|----------------------|

The Guyana Gold Board receives advances from Ministry of Finance which are used to purchase gold and finance operational expenditures. Revenue from sale of gold overseas is used to repay this advance. The balance remaining in this account represents advances not yet reimbursed.

16 Accounts payable

| | 2013 G\$ | 2012 G\$ |
|---------------------------------|--------------------|----------------------|
| Trade creditors | 160,271,986 | 102,416,758 |
| Gold dealers' tax payable | 205,807,629 | 312,620,642 |
| Gold dealers' royalties payable | 387,805,703 | 669,134,610 |
| Accruals | 19,871,500 | 18,187,300 |
| Others | 86,846,472 | 76,283,522 |
| | <u>860,603,290</u> | <u>1,178,642,832</u> |

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

17 Bank overdraft

| | <u>2013</u> | <u>2012</u> |
|-------------------------------------|-----------------------|----------------------|
| | G\$ | G\$ |
| Bank of Guyana-disbursement account | 12,449,863,693 | 5,153,870,672 |
| Republic Bank-current account | 6,292,050 | 3,319,687 |
| | <u>12,456,155,743</u> | <u>5,157,190,359</u> |

The Guyana Gold Board does not have an overdraft facility with either Republic Bank Limited or the Bank of Guyana. Funds are deposited to the Disbursement Account and transferred via standing orders to the General Account. The balances shown above are due to timing differences that arose from unrepresented cheques drawn that have not yet been issued or presented.

18 Related party transactions

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.

The Board considers the directors and key management personnel as related parties

| | <u>2013</u> | <u>2012</u> |
|---------------------------------------|------------------|------------------|
| | G\$ | G\$ |
| Directors' fees paid during the year: | | |
| Gobind Ganga | 955,200 | 633,200 |
| Bobby Gossai | 768,000 | 712,000 |
| Jacques Foster | 210,000 | 428,000 |
| Nareshwar Harnanan | - | 378,000 |
| Jeffrey Thomas | 528,000 | 520,000 |
| Patricia Bacchus | 306,000 | - |
| Paul Geer | 312,000 | 428,000 |
| Rickford Vieira | 288,000 | - |
| Marcus Debria | 294,000 | 330,000 |
| Pavita Ramkisson | 240,000 | 438,000 |
| Karen Livan | - | 320,000 |
| | <u>3,901,200</u> | <u>4,187,200</u> |

Key management personnel comprised of the General Manager(ag), the Finance Manager, the Station Manager-Bartica, the Internal Auditor and the Head of Laboratory. During the year remunerations paid to these individuals amounted to G\$37,676,748 (2012- G\$23,728,039)

Mr Marcus Dabria, director of the Guyana Gold Board is also a director of the Guyana Gold and Diamond Miners Association(GGDMA). During the year total gold sold by Mr Marcus Dabria to the Guyana Gold Board amounted to **G\$8,121,014**. (2012-G\$44,242,008). The prices for these gold purchased from him are the same as that paid to non-related clients.

19 Financial risk management

Financial risk management objectives

The Board's management monitors and manages the financial risks relating to the operations of the Board through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), liquidity risk and credit risk .

The Board seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk and credit risk which are approved by the board of directors.

The Board's management reports at statutory meetings to the Board of Directors on matters relating to risk and management of risk

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

19 Financial risk management -cont'd

(a) Market risk

The Board's activities expose it to the financial risks of changes in foreign currency exchange rates. The Board uses interest rate sensitivity to financial instruments to manage its exposure to foreign currency risk. There has been no change in the Board's exposure to market risks or the manner in which it manages these risks.

(i) Interest rate risk

The Board is exposed to various risks that are associated with the effects of variations in interest rates. This impacts directly on its cash flows.

| | Average interest rate % | Maturing 2013 | | |
|-------------------------------------|----------------------------------|-------------------------|--------------------------------|----------------|
| | | Within 1 year G\$ | Non-interest bearing G\$ | Total G\$ |
| Assets | | | | |
| Accounts receivable and prepayments | - | - | 59,622,905 | 59,622,905 |
| Cash on hand and at bank | - | - | 1,115,244,882 | 1,115,244,882 |
| | | - | 1,174,867,787 | 1,174,867,787 |
| Liabilities | | | | |
| Bank overdraft | 18.25 | 12,456,155,743 | - | 12,456,155,743 |
| Advance from Ministry of Finance | - | - | 8,731,630,794 | 8,731,630,794 |
| Accounts payable | - | - | 860,603,290 | 860,603,290 |
| | | 12,456,155,743 | 9,592,234,084 | 22,048,389,827 |
| Interest sensitivity gap | | (12,456,155,743) | | |
| | Average interest rate % | Maturing 2012 | | |
| | | Within 1 year G\$ | Non-interest bearing G\$ | Total G\$ |
| Assets | | | | |
| Accounts receivable and prepayments | - | - | 362,035,894 | 362,035,894 |
| Cash on hand and at bank | - | - | 44,270,208 | 44,270,208 |
| | | - | 406,306,102 | 406,306,102 |
| Liabilities | | | | |
| Bank overdraft | 18.25 | 5,157,190,359 | - | 5,157,190,359 |
| Advance from Ministry of Finance | - | - | 8,731,630,794 | 8,731,630,794 |
| Accounts payable | - | - | 1,178,642,832 | 1,178,642,832 |
| | | 5,157,190,359 | 9,910,273,626 | 15,067,463,985 |
| Interest sensitivity gap | | (5,157,190,359) | | |

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

19 Financial risk management - cont'd

(b) Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in raising funds to meet its commitments associated with financial instruments.

The Board manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The following table shows the distribution of assets and liabilities by maturity:

| | Maturing | | |
|-------------------------------------|------------------------|-------------------------|-------------------------|
| | 2013 | | |
| | On demand | Within 1 year | Total |
| | G\$ | G\$ | G\$ |
| Assets | | | |
| Accounts receivable and prepayments | - | 59,622,905 | 59,622,905 |
| Cash on hand and at bank | 1,115,244,882 | - | 1,115,244,882 |
| | <u>1,115,244,882</u> | <u>59,622,905</u> | <u>1,174,867,787</u> |
| Liabilities | | | |
| Bank overdraft | - | 12,456,155,743 | 12,456,155,743 |
| Advance from Ministry of Finance | 8,731,630,794 | - | 8,731,630,794 |
| Accounts payable | - | 860,603,290 | 860,603,290 |
| | <u>8,731,630,794</u> | <u>13,316,759,033</u> | <u>22,048,389,827</u> |
| Net liabilities | <u>(7,616,385,912)</u> | <u>(13,257,136,128)</u> | <u>(20,873,522,040)</u> |
| | Maturing | | |
| | 2012 | | |
| | On demand | Within 1 year | Total |
| | G\$ | G\$ | G\$ |
| Assets | | | |
| Accounts receivable and prepayments | - | 362,035,894 | 362,035,894 |
| Cash on hand and at bank | 44,270,208 | - | 44,270,208 |
| | <u>44,270,208</u> | <u>362,035,894</u> | <u>406,306,102</u> |
| Liabilities | | | |
| Bank overdraft | - | 5,157,190,359 | 5,157,190,359 |
| Advance from Ministry of Finance | 8,731,630,794 | - | 8,731,630,794 |
| Accounts payable | - | 1,178,642,832 | 1,178,642,832 |
| | <u>8,731,630,794</u> | <u>6,335,833,191</u> | <u>15,067,463,985</u> |
| Net liabilities | <u>(8,687,360,586)</u> | <u>(5,973,797,297)</u> | <u>(14,661,157,883)</u> |

(c) Credit risk

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Board.

The Board faces credit risk in respect of its cash and cash equivalents and its accounts receivables. However, this risk is controlled by close monitoring of these balances by the Board. The maximum credit risk faced by the Board is the balance reflected in the financial statements.

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

19 Financial risk management - cont'd
(c) Credit risk cont'd

Cash and cash equivalent are held by commercial banks. These banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their obligations as they fall due.

The related risk is therefore considered very low.

Accounts receivable consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable on a regular basis

The table below shows the company's maximum exposure to credit risk:

| | <u>2013</u> | <u>2012</u> |
|--|----------------------|--------------------|
| | G\$ | G\$ |
| Cash on hand and at bank | 1,115,244,882 | 44,270,208 |
| Accounts receivable(excluding prepayments) | <u>58,990,233</u> | <u>361,179,316</u> |
| Total credit risk exposure | <u>1,174,235,115</u> | <u>405,449,524</u> |
| The accounts receivable balances are classified as follows:. | | |
| Current | 47,693,694 | 355,098,084 |
| Past due but not impaired | <u>11,296,539</u> | <u>6,081,232</u> |
| | <u>58,990,233</u> | <u>361,179,316</u> |
| <u>Ageing of accounts receivable which was past due but not impaired</u> | | |
| 365+ days | <u>11,296,539</u> | <u>6,081,232</u> |

20 Analysis of financial assets and liabilities by measurement basis

| | <u>Loans and receivable</u> | <u>Financial assets and liabilities at amortised cost</u> | <u>Total</u> |
|-------------------------------------|---------------------------------|---|-----------------------|
| | G\$ | G\$ | G\$ |
| 2013 | | | |
| Assets | | | |
| Accounts receivable and prepayments | 59,622,905 | - | 59,622,905 |
| Cash on hand and at bank | <u>-</u> | <u>1,115,244,882</u> | <u>1,115,244,882</u> |
| | <u>59,622,905</u> | <u>1,115,244,882</u> | <u>1,174,867,787</u> |
| Liabilities | | | |
| Bank overdraft | - | 12,456,155,743 | 12,456,155,743 |
| Advance from Ministry of Finance | - | 8,731,630,794 | 8,731,630,794 |
| Accounts payable | <u>-</u> | <u>860,603,290</u> | <u>860,603,290</u> |
| | <u>-</u> | <u>22,048,389,827</u> | <u>22,048,389,827</u> |

GUYANA GOLD BOARD

NOTES TO THE FINANCIAL STATEMENTS

20 Analysis of financial assets and liabilities by measurement basis-cont'd

| 2012 | Loans and receivable G\$ | Financial assets and liabilities at amortised cost G\$ | Total G\$ |
|-------------------------------------|--------------------------------|---|-----------------------|
| Assets | | | |
| Accounts receivable and prepayments | 362,035,894 | - | 362,035,894 |
| Cash on hand and at bank | - | 44,270,208 | 44,270,208 |
| | <u>362,035,894</u> | <u>44,270,208</u> | <u>406,306,102</u> |
| Liabilities | | | |
| Bank overdraft | - | 5,157,190,359 | 5,157,190,359 |
| Advance from Ministry of Finance | - | 8,731,630,794 | 8,731,630,794 |
| Accounts payable | - | 1,178,642,832 | 1,178,642,832 |
| | <u>-</u> | <u>15,067,463,985</u> | <u>15,067,463,985</u> |

21 Fair value of financial instruments

The following table details the carrying costs of financial assets and liabilities and their fair values

| | 2013 | | 2012 | |
|--------------------------------------|---------------------------|-----------------------|---------------------------|-----------------------|
| | Carrying amount G\$ | Fair value G\$ | Carrying amount G\$ | Fair value G\$ |
| ASSETS | | | | |
| Accounts receivables and prepayments | 59,622,905 | 59,622,905 | 362,035,894 | 362,035,894 |
| Cash on hand and at bank | 1,115,244,882 | 1,115,244,882 | 44,270,208 | 44,270,208 |
| | <u>1,174,867,787</u> | <u>1,174,867,787</u> | <u>406,306,102</u> | <u>406,306,102</u> |
| LIABILITIES | | | | |
| Advance from Ministry of Finance | 8,731,630,794 | 8,731,630,794 | 8,731,630,794 | 8,731,630,794 |
| Bank overdraft | 12,456,155,743 | 12,456,155,743 | 5,157,190,359 | 5,157,190,359 |
| Accounts payable | 860,603,290 | 860,603,290 | 1,178,642,832 | 1,178,642,832 |
| | <u>22,048,389,827</u> | <u>22,048,389,827</u> | <u>15,067,463,985</u> | <u>15,067,463,985</u> |

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows.

Financial instruments where the carrying amounts are equal to fair values:-Due to their short-term maturity, the carrying amounts of certain financial instruments are assumed to approximate their fair values. These include accounts receivable and prepayments, cash on hand and at bank, advance from Ministry of Finance, accounts payable and bank overdraft.

22 Investigation of tainted metal bars

During the latter part of 2013, management discovered that there were tainted metals at a particular location.

In 2014, a local accounting firm and the Guyana Police Force were employed to carry out investigations. The results or outcome of the investigation by the Guyana Police Force cannot be determined at this stage as it is not yet completed.