

# CONSOLIDATED WATER CO LTD

## FORM 8-K/A (Unscheduled Material Events)

Filed 8/23/2005 For Period Ending 8/23/2005

Address	TRAFALGAR PL WEST BAY RD GRAND CAYMAN BWI CAY, 00000
Telephone	809-947-4277
CIK	0000928340
Industry	Water Utilities
Sector	Utilities
Fiscal Year	12/31

Powered By **EDGAR**  
Online

<http://www.edgar-online.com/>

© Copyright 2005. All Rights Reserved.

Distribution and use of this document restricted under EDGAR Online's Terms of Use.

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

August 23, 2005

Consolidated Water Co. Ltd.

(Exact name of registrant as specified in its charter)

Cayman Islands

0-25248

Not Applicable

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

Windward Three-4th Fl, West Bay Road, P.O.  
Box 1114 GT, Grand Cayman, Cayman Islands

none

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

345-945-4277

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

[Top of the Form](#)

**Item 4.01 Changes in Registrant's Certifying Accountant.**

On August 17, 2005, Consolidated Water Co. Ltd. (the "Company") filed a Form 8-K (the "Form 8-K") with the Securities and Exchange Commission (the "SEC") disclosing that KPMG informed the Audit Committee of the Company that KPMG did not wish to stand for re-appointment as independent accountants for the Company and its affiliates for the fiscal year ended December 31, 2005.

This amendment is being filed with the SEC in order to file the letter of KPMG stating whether or not KPMG agrees with certain statements contained in the Form 8-K.

**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits.

Exhibit No. - Title

16.1 - Letter dated August 23, 2005 from KPMG to the Securities and Exchange Commission.

The previously filed 8-K (Accession Number 0001299933-05-004287) should have been filed as an 8-K/A and this document replaces that 8-K.

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

*August 23, 2005*

Consolidated Water Co. Ltd.

By: *Frederick W. McTaggart*

---

*Name: Frederick W. McTaggart*

*Title: President and Chief Executive Officer*

---

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
16.1	Letter dated August 23, 2005 from KPMG to the Securities and Exchange Commission.

**EXHIBIT 16.1**

**KPMG**  
PO Box 493GT  
Century Yard Building  
Grand Cayman, Cayman Islands

Telephone +1 345 949 4800  
Fax +1 345 949 7164  
Internet www.kpmg.ky

United States of America  
Securities and Exchange Commission  
Washington, D.C. 20549

August 23, 2005

Ladies and gentlemen,

We were previously principal accountants for Consolidated Water Co. Ltd (the Company), and, under the date of April 15, 2005, we reported on the consolidated financial statements of Consolidated Water Co. Ltd. and subsidiaries as of and for the years ended December 31, 2004 and 2003, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2004, and the effectiveness of internal control over financial reporting as of December 31, 2004. On August 15, 2005, we declined to stand for reappointed. We have read the Company's statements included under Item 4.01 of its Form 8-K dated August 17, 2005, and we agree with such statements, except that we are not in a position to agree or disagree with the Company's statement that the senior officers and audit committee of the Company will now formally commence a search to select a new independent accounting firm. We have also read the Company's statements included under Item 4.01 of its Form 8-K/A dated August 23, 2005 and we agree with such statements.

In addition to the information included in the Company's statements under Item 4.01 of its Form 8-K dated August 17, 2005, the audit report of KPMG on management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting as of December 31, 2004 did not contain an adverse opinion or disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principles, except that KPMG's report indicates that the Company did not maintain effective internal control over financial reporting as of December 31, 2004 because of the effect of a material weakness on the achievement of the objectives of the control criteria and contains an explanatory paragraph that states:

KPMG, a partnership established under Cayman Islands law, is a Member of KPMG International, a Swiss cooperative

*United States of America*

*Securities and Exchange Commission*

*August 23, 2005*

As of December 31, 2004, the Company's management, including the Certifying Officers, has concluded that the Company had the following control deficiencies that when combined resulted in a material weakness:

- (1) The Company failed to properly track fixed assets and accumulated depreciation, including work-in-progress accounts.
- (2) The Company does not have sufficient personnel resources with appropriate accounting expertise.
- (3) The Company did not properly track inventory and management did not sufficiently review the physical count work sheets to the final inventory lists.

(4) The Company did not sufficiently review inter-company eliminations.

(5) The Company did not sufficiently document the system access controls around its financial management information system.

Yours sincerely

/s/ KPMG

---

**End of Filing**

Powered By **EDGAR**  
Online

© 2005 | **EDGAR Online, Inc.**