GUYANA NATIONAL PRINTERS LTD.

G.N.P.L.'s Audited Financial

AUDITED FINANCIAL STATEMENTS OF THE GUYANA NATIONAL PRINTERS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2021

CONTRACTED AUDITORS: **PARMESAR CHARTERED ACCOUNTANTS**
1 DELPH STREET & DUREY LANE
CAMPBELLVILLE, GEORGETOWN
GUYANA

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

AUDITED FINANCIAL STATEMENTS OF THE
GUYANA NATIONAL PRINTERS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021

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130/PC:27/2/2023 2 March 2023

Dr. Dexter Phillips
Chairman
Guyana National Printers Limited
1 Public Road
La Penitence
Greater Georgetown.

Dear Dr. Phillips,

AUDIT OF THE BOOKS AND ACCOUNTS OF THE
GUYANA NATIONAL PRINTERS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021

Please find attached seven 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,

AUDIT OFFICE OF GUYANA

NHarcourt
Nichette Harcourt
Audit Manager

Sfn +

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AG: 65/2023 2 March 2023

REPORT OF THE AUDITOR GENERAL TO THE MEMBERS OF THE BOARD OF DIRECTORS OF THE GUYANA NATIONAL PRINTERS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Qualified Opinion

Chartered Accountants Parmesar Chartered Accountants have audited on my behalf the financial statements of Guyana National Printers Limited, which comprise the statement of financial position as at 31 December 2021, and statement of 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 as set out on pages 5 to 31.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Guyana National Printers Limited as at 31 December 2021, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Included in inventory is work-in-progress of $11,443,811. The Company could not provide adequate documentation to support the computation of the work-in-progress, as a result I am unable to determine the authenticity of the work-in-progress payable amount.

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 Institution (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 Company 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.

Emphasis of Matter

I wish to emphasize that the financial statements have been prepared using the principles applicable to a going concern which contemplate the realisation of the assets and liquidation of liabilities in the normal course of business. However, as explained in note 25 to the financial statements the Government of Guyana has taken a decision to privatise the Company. No adjustment to assets or liabilities has been made as a result of this decision.

I also draw attention to note 9 to the financial statements which states that the terms and conditions of the loan from the Ministry of Finance are yet to be finalised. This loan is stated as a non- current liability and interest free in the financial statements of the Company. My opinion is not qualified in respect of these matters.

Going Concern

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so. As part of my audit of the financial statements, I have concluded that management's use of the going concern basis of accounting in the preparation of the Company's financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on my audit of the financial statements, I also have not identified such a material uncertainty. However, neither management nor I can guarantee the Company's ability to continue as a going concern.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements as at and for the year ended 31 December 2021. These matters are selected from the matters communicated with those charged with governance, but are not intended to represent all the matters that were discussed with them. My audit procedures relating to these matters were designed in the context of my audit of the financial statements as a whole. My opinion on the financial statements is not modified with respect to certain key audit matters described below, and I do not express an opinion on these individual matters.

Valuation and impairment of Property, Plant and Equipment

The financial statements detailed property, plant and equipment with a net book value of $295M. No revaluation of property, plant and equipment was done during the year.

Property, plant and equipment are considered Key Audit Matters as significant management judgement was used to select depreciation rates for each item of property, plant and equipment. I found that the assumptions used by management in relation to the carrying value of property, plant and equipment were in line with my expectations and the disclosure in note 3 to be appropriate.

My procedures in relation to management's valuation included:

Test calculation of depreciation rates for property, plant and equipment to ensure consistency with accounting policies and industry rates;

Obtain and check written representation by management on their assessment of impairment;

Assess the methodology used by management to carry out impairment review;

Physical verification of selected assets which were acquired during the current and prior years;

Verification of the policy for acquisition and disposals of property, plant and equipment.

Valuation of Defined Benefit Liability (Employee Retirement Benefits)

The Company has recognised a defined benefit asset of $147M. This is considered to be a Key Audit Matter since assumptions that underpin the valuation of the defined benefit pension liability is important and also involve subjective judgements as the surplus/deficit balance is volatile and affects the Company's distributable reserves. Management has employed actuarial specialists in order to calculate this balance and uncertainty arises as a result of estimates made based on the Company's expectation about long-term trends and market conditions.

My procedures in relation to actuarial valuation included:

Review of the actuarial report for the year ended 31 December 2021 and ensuring information was presented and disclosed in accordance with IAS 19;

Obtain an understanding of the methodology and assumptions used by the actuary and assess whether these were consistent with prior years and my understanding of the client;

Review the source data used by the Company actuary and perform tests to ascertain its completeness and accuracy;

Assess the professional competence, including the qualifications, experience and reputation of the actuary.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company'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 liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 misstatements, 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 an 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 Company's 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 Company's 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. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

The financial statements did not comply with the requirements of the Companies Act 1991.

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

REPORT OF PARMESAR CHARTERED ACCOUNTANTS
TO THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF GUYANA NATIONAL PRINTERS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021

OPINION:

We have audited the attached financial statements of Guyana National Printers Limited which comprise the statement of financial position as at 31 December 2021 and the statement of income, statement of changes in equity and statement of cash flows for the year ended 31 December 2021, and a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 31.

Except for the uncertainty of the value of Work-In-Progress of $11,443,811 in our opinion, the financial statements give a true and fair view of the financial position of the Guyana National Printers Limited as at 31 December 2021, and of the financial performance and the statement of cash flows for the year then ended in accordance with International Financial Reporting Standards.

BASIS OF OPINION:

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion, except for the matter referred to in the following paragraph.

Included in inventory is Work-In-Progress of $11,443,811. The Company could not provide adequate documentation to support the computation of the Work-In-Progress, as a result we were unable to determine the authenticity of the Work-In-Progress payable amount.

EMPHASIS OF MATTER:

We wish to emphasise that the financial statements have been prepared using the principles applicable to a going concern which contemplate the realisation of the assets and liquidation of liabilities in the normal course of business. However, as explained in note 25 to the financial statements the Government of Guyana has taken a decision to privatise the Company. No adjustment to assets or liabilities has been made as a result of this decision.

We also draw attention to note 9 to the financial statements which states that the terms and conditions of the loan from the Ministry of Finance are yet to be finalised. This loan is stated as a non-current liability and interest free in the financial statements of the Company.

Our opinion is not qualified in respect of these matters.

1 Delph Street & Durey Lane, Campbellville, Georgetown, Guyana
Tel: (592) 225-6627, 225-6629, Fax 225-6647
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GOING CONCERN

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Company's financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Company's ability to continue as a going concern.

KEY AUDIT MATTERS:

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements as at and for the year ended 31 December 2021. These matters are selected from the matters communicated with those charged with governance, but are not intended to represent all the matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to certain key audit matters described below, and we do not express an opinion on these individual matters.

- **Valuation and impairment of Property, plant and equipment**

The financial statements detailed property, plant and equipment with a net book value of $295M. No revaluation of property, plant and equipment was done during the year.

Property, plant and equipment are considered Key Audit Matters as significant management judgement was used to select depreciation rates for each item of property, plant and equipment. We found that the assumptions used by management in relation to the carrying value of property, plant and equipment were in line with our expectations and the disclosure in note 3 to be appropriate.

Our procedures in relation to management's valuation included:

Test calculation of depreciation rates for property, plant and equipment to ensure consistency with accounting policies and industry rates;

Obtain and check written representation by management on their assessment of impairment.

Assess the methodology used by management to carry out impairment review.

Physical verification of selected assets which were acquired during the current and prior years;

Verification of the policy for acquisition and disposals of property, plant and equipment.

- **Valuation of Defined Benefit Liability (Employee Retirement Benefits)**

The Company has recognized a defined benefit asset of $147M. This is considered to be a Key Audit Matter since assumptions that underpin the valuation of the defined benefit pension liability is important and also involve subjective judgements as the surplus / deficit balance is volatile and affects the Company's distributable reserves. Management has employed actuarial specialists in order to calculate this balance and uncertainty arises as a result of estimates made based on the Company's expectation about long-term trends and market conditions.

Our procedures in relation to actuarial valuation included:
Review of the actuarial report for the year ended 31 December 2021 and ensuring information was presented and disclosed in accordance with IAS 19;

Obtain an understanding of the methodology and assumptions used by the actuary and assess whether these were consistent with prior years and our understanding of the client;

Review the source data used by the Company actuary and perform tests to ascertain its completeness and accuracy;

Assess the professional competence, including the qualifications, experience and reputation of the actuary.

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 the 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 Company'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 liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY
The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We 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 our 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 Company's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS.

The financial statements did not comply with the requirements of the Companies Act 1991.

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PARMESAR

PARMESAR

1 March 2023

GUYANA NATIONAL PRINTERS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

ASSETS	Note	2021 G$	2020 G$
NON- CURRENT ASSETS			
Property, plant and equipment	3	294,985,138	321,845,531
Defined benefit asset	10	146,532,000	59,237,000
		441,517,138	381,082,531
CURRENT ASSETS			
Inventories	4	80,059,709	117,376,679
Receivables and prepayments	5	149,195,986	147,403,425
Taxation recoverable		5,086,434	5,086,434
External payments deposits	6	100,977	100,977
Cash and bank	7	256,662,359	129,356,248
		491,105,465	399,323,763
TOTAL ASSETS		**932,622,603**	**780,406,294**
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	8	2,814,850	2,814,850
Accumulated earnings		525,149,269	390,580,516
Revaluation reserve		175,867,420	175,867,420
		703,831,539	569,262,786
NON CURRENT LIABILITIES			
Borrowings	9	10,000,000	65,807,272
		10,000,000	65,807,272
CURRENT LIABILITIES			
Payables and accruals	11	41,766,181	52,754,619
Advance payments	12	42,055,293	23,122,607
Taxation payable		49,162,318	39,459,010
Short term borrowings	13	85,807,272	30,000,000
		218,791,064	145,336,236
TOTAL EQUITY AND LIABILITIES		**932,622,603**	**780,406,294**

These financial statements were approved by the Board of Directors on 28 February 2023.

....

Director **Director**

The notes on pages 9 to 31 form an integral part of these financial statements.

GUYANA NATIONAL PRINTERS LIMITED

STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 G$	2020 G$
REVENUE	14	329,543,772	381,586,867
COST OF SALES	15	(201,384,633)	(230,338,333)
GROSS PROFIT		128,159,139	151,248,534
OTHER INCOME	16	28,511,572	21,272,217
		156,670,712	172,520,751
LESS EXPENSES:			
Administrative expenses	17	(104,873,651)	(158,802,061)
PROFIT / (LOSS) BEFORE TAXATION		51,797,061	13,718,690
TAXATION	18	(9,703,308)	(3,815,494)
PROFIT / (LOSS) AFTER TAXATION		**42,093,753**	**9,903,196**
OTHER COMPREHENSIVE INCOME:			
Remeasurement of provision of employee benefits		92,475,000	101,709,000
TOTAL COMPREHENSIVE INCOME / (LOSS)		**134,568,753**	**111,612,196**
EARNINGS / (LOSS) PER SHARE	19	**150**	**35**

The notes on pages 9 to 31 form an integral part of these financial statements.

GUYANA NATIONAL PRINTERS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital G$	Accumulated earning G$	Revaluation reserve G$	Total G$
Year ended 31 December 2021				
As at beginning of year	2,814,850	390,580,516	175,867,420	569,262,786
Profit for the year		134,568,753		134,568,753
As at end of year	2,814,850	525,149,269	175,867,420	703,831,539
Year ended 31 December 2020				
As at beginning of year	2,814,850	299,268,922	175,867,420	477,951,192
Profit/Loss for the year	-	111,612,196	-	111,612,196
Prior Year Adjustment	-	(20,300,602)	-	(20,300,602)
As at end of year	2,814,850	390,580,516	175,867,420	569,262,786

The notes on pages 9 to 31 form an integral part of these financial statements.

GUYANA NATIONAL PRINTERS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
OPERATING ACTIVITIES	**G$**	**G$**
Profit before tax	51,797,061	13,718,690
Adjustment for:		
Depreciation	27,874,468	24,217,373
Gain on disposal of property, plant and equipment	-	(275,000)
Net movement in defined benefit liability	5,180,000	13,341,000
Operating profit before working capital changes	84,851,529	51,002,063
Decrease in inventories	37,316,970	40,151,223
(Increase) / decrease in receivables and prepayments	(1,792,561)	64,834,753
Decrease in payables and accruals	(10,988,438)	(3,428,821)
Increase in advance payments	18,932,686	17,167,249
Cash generated from operations	128,320,186	169,726,467
Net Cash Inflow / (Outflow) - Operating Activities	**128,320,186**	**169,726,467**
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,014,076)	(37,766,093)
Proceeds from sale of motor vehicle	-	275,000
Net Cash Outflow - Investing Activities	**(1,014,076)**	**(37,491,093)**
FINANCING ACTIVITIES		
Loan repayment	-	(20,000,000)
Net Cash Inflow - Financing Activities	**-**	**(20,000,000)**
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	127,306,110	112,235,374
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	129,356,248	17,120,874
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	**256,662,359**	**129,356,248**
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank	**256,662,359**	**129,356,248**

The notes on pages 9 to 31 form an integral part of these financial statements.

1. COMPANY IDENTIFICATION AND BUSINESS ACTIVITIES

(a) Incorporation

The Guyana National Printers Limited was formerly known as the Guyana Lithographic Company Limited which was incorporated on May 26, 1976. It was then registered as Guyana National Lithographic Company Limited. From 1980 the Company merged with Guyana Printers Limited and the merged company was renamed as Guyana National Printers Limited.

(b) Principal Activity

The Company's principal activities are provided by production of printing and packaging products and services.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Convention

The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain non-current assets and the accounting policies conform with International Financial Reporting Standards.
These Financial Statements are presented in Guyana dollars.

(b) New and amended standards and interpretations

IAS 1 Amendments - Classification of liabilties as current or non-current

IAS 1 Amendments - Disclosure of accounting policies
IAS 1 Amendments - Non-current liabilities with covenants
IFRS 16 Amendments - Lease liability in a sale and leaseback transaction
IAS 12 / IFRS 1 Amendments - Deferred tax related to assets and liabilities arising from a single transaction
IAS 37 Amendments - Onerous contracts: cost of fulfilling a contract
IFRS 3 Amendments -Reference to the Conceptual Framework
IAS 16 Amendments- Property, plant and equipment: proceeds before intended use
IFRS 9 / IAS 39 Interest rate benchmark reform
IFRS 17 Amendments - Insurance contracts
IAS 8 Amendments- Definition of accounting estimates

1. **SIGNIFICANT ACCOUNTING POLICIES CONT'D**

(c) Foreign Current Transactions

Transactions involving foreign currencies are translated at the exchange rates at the dates of these transactions. At the date of the Statement of Financial Position all assets and liabilities denominated in foreign currencies are translated into Guyana dollars at the exchange rates ruling at that date. Gains and losses arising from the settlement of and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(d) 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 3 months or less.

(e) Revenue Recognition

Revenue and Expenses are recognised on an Accrual Basis.

(f) Property, Plant and Equipment

Freehold land and buildings held for use in the supply of services and for administrative purposes are stated in the Statement of Financial Position at their revalued amounts. Revalued amounts are taken as the fair value of the date of revaluation less subsequent accumulated depreciation and any impairment loss.

Any revaluation increase arising on the revaluation of such land, buildings and equipment is credited to revaluation reserve.

Depreciation of other non-current assets other than freehold land is calculated on the straight line method at rates sufficient to write off the cost or revaluation of these assets to their residual values over their estimated useful lives as follows:

Building	**-2%**
Plant, Machinery and Equipment	**-10-12%**
Motor Vehicles	**-25%**

1. SIGNIFICANT ACCOUNTING POLICIES CONT'D

(g) Inventories

These are valued at the lower of cost and net realisable value using primarily the weighted average cost method.

(h) Provision for Impairment of Receivables

A provision for bad and doubtful debt is made based on an estimate of **6%** of the total receivables.

Bad debt is written off based on the status of the debt and evidence of non-collectability. A list would be compiled by management for approval from the Board of Directors.

(i) Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalent comprise cash in hand, deposit held on call with banks and other bank balances, net of bank overdraft.

(j) Taxation

The current Corporate Tax is computed on the basis of the present tax laws.

Provision is made for deferred Corporation Tax using the liability method for all temporary differences arising between the tax bases of the assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred Corporation Tax.

The principal temporary differences arise from depreciation on property and equipment and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

3. PROPERTY, PLANT AND EQUIPMENT

COST / VALUATION	Land and Buildings Freehold G$	Leasehold G$	Plant Machinery and Equipment G$	Motor Vehicles G$	2021 Total G$
As at beginning of year	197,724,595	957	287,967,082	18,032,404	503,725,038
Additions		-	1,014,076		1,014,076
As at end of year	197,724,595	957	288,981,158	18,032,404	504,739,114
COMPRISING:					
Cost	85,535,508	957	268,753,161	20,032,404	374,322,030
Valuation	112,189,087		20,227,997		132,417,084
	197,724,595	957	288,981,158	20,032,404	506,739,114
DEPRECIATION					
As at beginning of year	34,301,118	-	138,570,464	9,007,926	181,879,508
Charges for the year	3,954,511	-	20,911,798	3,008,159	27,874,468
As at end of year	38,255,629	-	159,482,262	12,016,085	209,753,976
NET BOOK VALUE					
As at end of year	159,468,966	957	129,498,896	6,016,319	294,985,138

3. PROPERTY, PLANT AND EQUIPMENT CONTD

COST / VALUATION	Land and Buildings Freehold G$	Leasehold G$	Plant Machinery and Equipment G$	Motor Vehicles G$	2020 Total G$
As at beginning of year	197,724,595	957	250,200,989	20,032,405	467,958,946
Additions		-	37,766,093	-	37,766,093
Disposals	-	-		(2,000,000)	(2,000,000)
As at end of year	197,724,595	957	287,967,082	18,032,405	503,725,039
COMPRISING:					
Cost	85,535,509	957	267,739,085	18,032,405	371,307,956
Valuation	112,189,086		20,227,997		132,417,083
	197,724,595	957	287,967,082	18,032,405	503,725,039
DEPRECIATION					
As at beginning of year	30,346,607	-	121,315,761	7,999,767	159,662,135
Charges for the year	3,954,511	-	17,254,703	3,008,159	24,217,373
Written back on disposal	-	-	-	(2,000,000)	(2,000,000)
As at end of year	34,301,118	-	138,570,464	9,007,926	181,879,508
NET BOOK VALUE					
As at end of year	163,423,477	957	149,396,618	9,024,479	321,845,531

Property, plant and equipment vested on May 26, 1976 were stated at the book values of the previous owners (which were in excess of compensation prices) less provision for depreciation computed on those values until 1982 and 2008 when revaluation was done by professional valuators. The surplus on the revaluation has been credited to capital reserve.

If assets were not revalued the estimated net book value would be G$167,568,827 (2020- G$189,428,448)

	2021	2020
4. INVENTORIES	**G$**	**G$**
Raw materials	49,498,514	70,734,419
Finished goods	11,161,453	18,142,650
Work-in-progress	11,443,811	19,646,955
Spares	7,955,931	8,852,655
	80,059,709	117,376,679

5. RECEIVABLES AND PREPAYMENTS

Trade receivables	143,200,602	154,184,227
Less: provision for impairment collectively assessed (i)	(8,592,036)	(9,251,054)
	134,608,566	144,933,173
Sundry receivables	1,274,674	1,563,324
Prepayments / advances	13,312,746	906,928
	149,195,986	147,403,425
(i) As at beginning of year	9,251,054	9,251,054
Provision adjustment for the year	(659,018)	
As at end of year	8,592,036	9,251,054

6. EXTERNAL PAYMENTS DEPOSITS	100,977	100,977

These represent amounts deposited with commercial banks under External Payments Deposit Scheme for payments of amounts due to foreign suppliers. Such funds are restricted within the Scheme and are awaiting permission from Bank of Guyana to remit to foreign suppliers.

7. CASH AND BANK

	2021 G$	2020 G$
Cash at bank	256,352,359	129,106,248
Cash in hand	310,000	250,000
	256,662,359	129,356,248

8. SHARE CAPITAL

	2021 G$	2020 G$
Authorised		
300,000 ordinary shares of no par value	3,000,000	3,000,000
Issued and fully paid		
281,485 ordinary shares of no par value	2,814,850	2,814,850

These shares are of G$10 par value and have equal voting rights and rights to dividend

9. LOANS

	2021 G$	2020 G$
(i) Ministry of Finance	25,807,272	25,807,272
(ii) Ministry of Finance - 2017-2023 (2% per annum)	70,000,000	70,000,000
	95,807,272	95,807,272
Repayable within one year (note 13)	(85,807,272)	(30,000,000)
Repayable after one year	10,000,000	65,807,272

(i) This represents monies borrowed from the Government of Guyana for which the terms and conditions are not available.

10. DEFINED BENEFIT LIABILITY

(a) Defined Benefits Plan

The Company sponsors funded defined benefits plan for qualifying employees. The Company is a member of Guyana Sugar and Trading Enterprises Pension Scheme and participates with five other members of this Scheme. The appointed Trustee of the scheme is Hand in Hand Trust Corporation Inc.

The defined benefit plans are administered by a separate fund that is legally separate from the entity. The board of pension fund is required by law and by its Trust Deed to act in the interest of the fund and of all relevant stakeholders in the scheme i.e active employees, retirees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 December 2021 by Bacon Woodrow and de Souza Limited. The present value of the defined benefit obligation and the related current service costs were measured using the Projected Unit Credit Method.

10. DEFINED BENEFIT LIABILITY CONT'D

(b) The amount included in the Statement of Financial Position arising from the entity's obligation in respect of its defined benefit plans are as follows :

	2021 G$	2020 G$
Present value of funded defined benefit obligation	585,219,000	553,182,000
Fair value of plan assets	(731,751,000)	(612,419,000)
Net liability arising from defined benefit obligation	(146,532,000)	(59,237,000)

(c) Movements in Present Value of defined benefit obligation :

Defined benefit obligation at start of year	553,182,000	530,530,000
Current service cost	17,303,000	20,389,000
Interest cost	27,141,000	26,181,000
Members' contributions	3,981,000	4,691,000
Experience adjustments	4,576,000	483,000
Actuarial (gains)/losses From Changes in Demo.Assı	-	(15,107,000)
Benefits paid	(20,964,000)	(13,985,000)
	585,219,000	553,182,000

(d) Movements in the fair value of the plan assets in the current year were as follows :

Fair value of plan assets at start of year	612,419,000	501,399,000
Interest income	30,420,000	25,043,000
Return on plan assets (excluding interest income)	97,051,000	87,085,000
Company contributions	8,844,000	8,186,000
Members' contributions	3,981,000	4,691,000
Benefits paid	(20,964,000)	(13,985,000)
Fair value of plan assets at end of year	731,751,000	612,419,000
Actual return on plan assets	127,471,000	112,128,000

10. DEFINED BENEFIT LIABILITY CONT'D

	2021 G$	2020 G$
(e) Asset Allocation		
Cash and cash equivalents	224,434,000	223,096,000
Local and regional listed equities	387,542,000	265,015,000
Overseas equities	23,170,000	13,122,000
Regional bonds	46,177,000	50,759,000
Overseas Bonds	9,771,000	19,982,000
Property	40,657,000	40,445,000
Fair value of plan assets at end of year	731,751,000	612,419,000
(f) Expense recognised in Profit or Loss		
Current service cost	17,303,000	20,389,000
Net interest on net defined liability/ (asset)	(3,279,000)	1,138,000
Net pension cost	14,024,000	21,527,000
(g) Re-measurements recognised in Other Comprehensive Income :		
Experience (gains)/losses	(92,475,000)	(101,709,000)
Total amount recognised in Other Comprehensive Income	(92,475,000)	(101,709,000)
(h) Reconciliation of Opening and closing statement of financial position entries:		
Defined benefit Liability/ (Asset)	(59,237,000)	29,131,000
Net Pension Cost	14,024,000	21,527,000
Re-measurements recognised in Other Comprehensive Income	(92,475,000)	(101,709,000)
Company's contributions paid	(8,844,000)	(8,186,000)
	(146,532,000)	(59,237,000)

10. DEFINED BENEFIT LIABILITY CONT'D	2021 G$	2020 G$
(i) Summary of principal assumptions:		
Discount rate	5.0%	5.0%
Average individual salary increase	5.0%	5.0%
Future pension increase	2.0%	2.0%

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligation as at 31 December 2020 and 2021 are as follows:

	2021	2020
Life expectancy at age 60 for current pensioner in years		
Male	21.8	21.8
Female	26.0	26.0
Life expectancy at age 60 for current members age 40 in years		
Male	22.7	22.7
Female	27.0	27.0

(j) Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The flowing table summarises how the defined benefit obligation as at 31 December 2021 would have changed as a result of a change in the assumption used:

	1% pa Decrease	1% pa Decrease
Discount rate	91.627	(72.484)
Future salary increase	(22.067)	24.589

An increase of 1 year in the assumed life expectancies show above would increase the defined benefit obligation as 31 December 2021 by $14,608,000

These sensitivities were calculated by re-calculating the defined benefit obligation using the revised assumptions.

The Company expects to pay $14,300,000 to the Pension Scheme during 2021.

11. PAYABLES AND ACCRUALS

	2021 G$	2020 G$
Trade payables	1,115,305	1,115,306
Other creditors and accruals	40,650,876	51,639,313
	41,766,181	52,754,619

12. ADVANCE PAYMENTS

Local	42,055,293	23,122,607

This represents amounts received in advance for jobs to be done on behalf of various customers.

13. SHORT TERM BORROWINGS

Loan (note 9)	85,807,272	30,000,000
	85,807,272	30,000,000

14. REVENUE

Government	306,876,418	357,567,508
Private	22,667,354	24,019,359
Others	-	
	329,543,772	381,586,867

15. COST OF SALES

Opening work in progress	19,646,955	13,062,806
Materials used	64,667,145	67,165,614
Sub-Contracting	328,340	17,602,101
Overheads	87,608,955	106,080,755
Direct labour	33,595,851	36,012,414
Closing work in progress	(11,443,811)	(19,646,955)
Finished goods consumed	6,981,197	10,061,598
	201,384,633	230,338,333

16. OTHER INCOME

	2021 G$	2020 G$
Interest income	31,860	551
Others	713,812	832,675
Proceeds from sales of non-current assets		275,000
Exchange losses	-	1,317,138
Rental income	27,765,900	18,846,854
	28,511,572	21,272,218

17. ADMINISTRATIVE EXPENSES

	2021 G$	2020 G$
Employment Costs:		
Salaries and wages	42,819,608	70,297,760
Pensions - management fees	3,838,531	4,454,720
Pension costs	14,024,000	21,527,000
Other staff costs	8,847,404	10,495,778
	69,529,543	106,775,258
Other Costs:	23,397,136	38,876,420
Depreciation (a)	8,478,540	8,670,145
Auditor's remuneration	2,800,000	2,800,000
Actuary Fees	583,550	464,400
Directors' emoluments	743,900	605,000
Bad debts	(659,018)	610,838
	104,873,651	158,802,061

(a) Depreciation

	2021 G$	2020 G$
Administration	8,478,540	8,670,145
Overheads	19,395,928	15,547,228
	27,874,468	24,217,373

18. TAXATION

The provisional charge for taxation in the financial statements is made up as follows:

	2021 G$	2020 G$
Current		
Corporation tax - 25%	4,900,367	
Property tax	4,802,941	3,815,494
	9,703,308	3,815,494

18. TAXATION CONT'D

	2021 G$	2020 G$
Reconciliation of corporation tax expense and accounting profit :		
Profit before taxation	51,797,061	13,718,690
Corporation tax - 25%	12,949,265	3,429,673
Property tax	4,802,941	3,815,494
Deferred tax not recognised	(8,048,898)	(3,429,673)
	9,703,308	3,815,494

The Company utilised tax losses of $19,601,469 (2020- $4,851,912). The Company has tax losses of $12,167,712 (2020- $31,769,181) available to set off against future pre-tax profits.

19. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit / (loss) attributable to shareholders by the weighted average number of shares in issue during the year.

	2021	2020
Profit attributable to shareholders	42,093,753	9,903,196
Weighted average number of shares in issue	281,485	281,485
Earnings per share	150	35

20. RELATED PARTY TRANSACTIONS

Parties are considered related if (a) one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions or (b) the party is a member of a key management personnel.

(a) Balances with Ministries and other Government Agencies

	2021	2020
Due from	134,713,179	143,972,138

20. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Directors emoluments

	2021 G$	2020 G$
Franklin Vieira		52,500
Ronald Alert		60,000
Myra Pierre-Moore		7,500
Emerson McKoy		52,500
Germin Simon	90,000	67,500
Tameca Sukhdeo-Singh		52,500
Rosh Khan		52,500
Trevor Williams		52,500
Marlyn Nedd		52,500
Andrea Branford		45,000
Dexter Phillips	120,000	20,000
Mark Ramotar	90,000	15,000
Dion Younge	60,000	15,000
N.Persaud	90,000	15,000
E.Layne	83,900	15,000
S.Isaacs	60,000	15,000
M.Hassan	90,000	15,000
N.Shurland	30,000	
I.Badal	30,000	
	743,900	605,000

(c) Compensation of key management personnel

	2021 G$	2020 G$
Short-term employee benefits	27,255,596	33,733,763
Post-employment benefits		3,791,826

21. FINANCIAL INSTRUMENTS

		2021	
ASSETS	**Loans and Receivables**	**Financial Assets and Liabilities at Amortised Cost**	**Total**
	G$	**G$**	**G$**
Receivables and prepayments	149,195,986	-	149,195,986
Taxes recoverable	5,086,434	-	5,086,434
External payments deposit	-	100,977	100,977
Cash and bank	-	256,662,359	256,662,359
Defined benefit asset	-	146,532,000	146,532,000
Total Assets	154,282,420	403,295,336	557,577,755
LIABILITIES			
Borrowings	-	10,000,000	10,000,000
Payables and accruals	-	41,766,181	41,766,181
Advance payments		42,055,293	42,055,293
Taxation payable		49,162,318	49,162,318
Short term borrowings	-	85,807,272	85,807,272
Total Liabilities	-	228,791,064	228,791,064

21. FINANCIAL INSTRUMENTS CONT'D

2020

ASSETS	Loans and Receivables G$	Financial Assets and Liabilities at Amortised Cost G$	Total G$
Receivables and prepayments	147,403,425	-	147,403,425
Taxes recoverable	5,086,434	-	5,086,434
External payments deposit	-	100,977	100,977
Cash and bank	-	129,356,248	129,356,248
Defined benefit asset	-	59,237,000	59,237,000
Total Assets	152,489,859	188,694,225	341,184,084
LIABILITIES			
Borrowings	-	65,807,272	65,807,272
Payables and accruals	-	52,754,619	52,754,619
Advance payments	-	23,122,607	23,122,607
Taxation payable	-	39,459,010	39,459,010
Short term borrowings	-	30,000,000	30,000,000
Total Liabilities	-	211,143,508	211,143,508

22. CAPITAL RISK MANAGEMENT

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The company's overall strategy remains unchanged from 2018

The capital structure of the company consists of cash equivalents and equity comprising of share capital, accumulated earnings and capital reserve.

Gearing Ratio

The Company's management reviews the capital structure on an on-going basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Company has not set a target gearing ratio

22. CAPITAL RISK MANAGEMENT

The gearing ratio at the year end was as	2021 G$	2020 G$
(i) Debt	95,807,272	95,807,272
Cash and cash equivalents	(256,662,359)	(129,356,248)
Net balance	(160,855,087)	(33,548,976)
(ii) Equity	**703,831,539**	**569,262,786**

(i) Debt is defined as long term borrowings, as detailed in note 9.
(ii) Equity includes all capital and reserves of the Company.

23. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives

The Company manages its financial risks through internal risk reports which analyse exposure by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company 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.

(a) Market Risk

Market risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The company's exposure to market risk is minimal.

(i) Interest Rate Risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The company is exposed to various risks that are associated with the effects of variations in interest rates. This impacts directly on its cash flows. The company's management continually monitors and manages these risks through the use of appropriate tools and implements relevant strategies to hedge against any adverse effects.

23. FINANCIAL RISK MANAGEMENT (CONT'D)

(i) Interest Rate Risk (Cont'd)

	Maturing 2021			
	Average Interest rate	**Within 1 year**	**Non interest bearing**	**Total**
Assets		**G$**	**G$**	**G$**
Receivables and prepayments	-	-	149,195,986	149,195,986
Taxes recoverable	-	-	5,086,434	5,086,434
External payments deposit	-	-	100,977	100,977
Cash and bank	2.3	256,662,359	-	256,662,359
Defined benefit asset	-	-	146,532,000	146,532,000
		256,662,359	300,915,397	557,577,755
Liabilities				
Borrowings	-	85,807,272	10,000,000	95,807,272
Payables and accruals	-	-	41,766,181	41,766,181
Advance payments	-	-	42,055,293	42,055,293
Taxation payable	-	-	49,162,318	49,162,318
		85,807,272	142,983,792	228,791,064
Interest sensitivity gap		170,855,087		

	Maturing 2020			
	Average Interest rate	**Within 1 year**	**Non interest bearing**	**Total**
Assets		**G$**	**G$**	**G$**
Receivables and prepayments	-	-	147,403,425	147,403,425
Taxes recoverable	-	-	5,086,434	5,086,434
External payments deposit	-	-	100,977	100,977
Cash and bank	2.3	129,211,248	145,000	129,356,248
Defined benefit asset	-	-	59,237,000	59,237,000
		129,211,248	211,972,836	341,184,084
Liabilities				
Borrowings	-	30,000,000	65,807,272	65,807,272
Payables and accruals	-	-	52,754,619	52,754,619
Advance payments	-	-	23,122,607	23,122,607
Taxation payable	-	-	39,459,010	39,459,010
Short term borrowings			30,000,000	30,000,000
		30,000,000	211,143,508	211,143,508
Interest sensitivity gap		99,211,248		

23. FINANCIAL RISK MANAGEMENT CONT'D

(ii) Interest Rate Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the end of the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. A positive number indicates an increase in profits where the interest rate appreciates by 50 basis points. For a decrease of 50 basis points in the interest rate, this would have an equal and opposite impact on profit, and the balances below would be negative.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the impact on the Company's profit would have been:

		2021	2020
	Increase / (decrease) in profits	Increase / (decrease) in profits	Increase / (decrease) in profits
		G$	G$
Local instruments	+ / - 50	+ / - 350,000	+ / - 350,000

Apart from the foregoing with respect to the other financial assets and liabilities, it was not possible to determine the expected impact of a reasonable possible change in interest rates on profit or equity as other factors such as credit risks, market risks, political and disaster risks can affect the value of the assets and liabilities.

(ii) Price Risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Company's exposure to price risk is minimal as the Company does not actively trade in equities. Management continually identifies, evaluates, underwrites and diversifies risk in order to minimize the total cost of carrying such risks.

23. FINANCIAL RISK MANAGEMENT CONT'D

(iv) Foreign Currency Risk

The Company is exposed to foreign currency risk due to fluctuations in exchange rates on balances that are denominated in foreign currencies.

	2021 US$	Total G$
Assets	60,160	13,235,202
Liabilities	5,070	1,115,305
	2020 US$	**Total G$**
Assets	3,771	829,675
Liabilities	5,070	1,115,306

Foreign Currency Sensitivity Analysis

The following table details the Company's sensitivity to a 1.5% increase or decrease in the Guyana dollar (GYD) against the relevant currencies. Although a rate is not formally adopted and used as a measure, 1.5% gives prudent possibility of change in rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the period end for a 1.5% change in foreign currency rate. A positive number below indicate an increase in profit and other equity where the foreign currency strengthens 1.5% against the Guyana dollar (GYD). For a 1.5% weakening of the relevant foreign currency against the Guyana dollar, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

23. FINANCIAL RISK MANAGEMENT (CONT'D)

(iv) Foreign Currency Risk (Cont'd)

Foreign Currency Sensitivity Analysis (Cont'd)	2021 G$	2020 G$
Loss	181,798	4,284

(b) Credit Risk

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

The Company faces credit risk in respect of its cash and bank, trade and other receivables. However, this risk is controlled by close monitoring of these assets by the Company.
The maximum risk faced by the Company is the balance reflected in the financial statements.
The table below shows the Company's maximum exposure to credit risk.

	Maximum Exposure	Maximum Exposure
Cash and bank	256,662,359	129,356,248
External payment deposits	100,977	100,977
Receivables and prepayments	149,195,986	147,403,425
Taxation recoverable	5,086,434	5,086,434
Defined benefit asset	146,532,000	59,237,000
Maximum exposure	557,577,755	341,184,084

Balances due by banks include balances held with commercial banks. These banks have been assessed by the directors as being credit worthy, with a very strong capacity to meet their obligation as they fall due.
The related risk is therefore considered very low.

Trade receivables consist of various customers. Ongoing credit evaluation is performed on the financial condition of receivables on a regular basis.

23. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit Risk (Cont'd)

	2021 G$	2020 G$
Trade receivables	143,200,714	154,184,232

The above balance is classified as follows:

	2021 G$	2020 G$
Current	34,982,992	42,577,242
Past due but not impaired	99,625,686	102,355,936
Impaired	8,592,036	9,251,054
	143,200,714	154,184,232

Ageing of trade receivables which were past due but not impaired:

	2021 G$	2020 G$
30-59 days	22,637,918	27,264,170
60-89 days	76,987,768	75,091,766
	99,625,686	102,355,936
Provision for impairment collectivity assessed	8,592,036	9,251,054

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The Company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

23. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity Risk (Cont'd)

	Maturing 2021			
	Within 1 year			
	On demand	3-12 months	Over 1 year	Total
Assets	G$	G$	G$	G$
Receivables and prepayments	-	149,195,986	-	149,195,986
Taxes recoverable	-	5,086,434	-	5,086,434
External payments deposit	-	100,977	-	100,977
Cash and bank	256,662,359	-	-	256,662,359
Defined benefit asset	-	-	146,532,000	146,532,000
	256,662,359	154,383,397	146,532,000	557,577,755
Liabilities				
Borrowings	-	85,807,272	10,000,000	95,807,272
Payables and accruals	-	41,766,181	-	41,766,181
Advance payments	42,055,293	-	-	42,055,293
Taxation payable	-	49,162,318	-	49,162,318
	42,055,293	176,735,771	10,000,000	228,791,064
Net assets / (liabilities)	214,607,066	(22,352,375)	136,532,000	328,786,691

	Maturing 2020			
	Within 1 year			
	On demand	3-12 months	Over 1 year	Total
Assets	G$	G$	G$	G$
Receivables and prepayments	-	147,403,425	-	147,403,425
Taxes recoverable	-	5,086,434	-	5,086,434
External payments deposit	-	100,977	-	100,977
Cash and bank	129,356,248	-	-	129,356,248
Defined benefit asset	-	-	59,237,000	59,237,000
	129,356,248	152,590,836	59,237,000	341,184,084
Liabilities				
Borrowings	-	30,000,000	65,807,272	95,807,272
Payables and accruals	-	52,754,619	-	52,754,619
Advance payments	23,122,607	-	-	23,122,607
Taxation payable	-	39,459,010	-	39,459,010
	23,122,607	122,213,629	65,807,272	211,143,508
Net assets / (liabilities)	106,233,641	30,377,207	(6,570,272)	130,040,576

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	2021		2020	
Financial Assets	**Carrying amount G$**	**Fair value G$**	**Carrying amount G$**	**Fair value G$**
Receivables and prepayments	149,195,986	149,195,986	147,403,425	147,403,425
Taxes recoverable	5,086,434	5,086,434	5,086,434	5,086,434
External payments deposit	100,977	100,977	100,977	100,977
Cash and bank	256,662,359	256,662,359	129,356,248	129,356,248
Defined benefit asset	146,532,000	146,532,000	59,237,000	59,237,000
	557,577,755	557,577,755	341,184,084	341,184,084
Financial Liabilities				
Borrowings	10,000,000	10,000,000	65,807,272	65,807,272
Payables and accruals	41,766,181	41,766,181	52,754,619	52,754,619
Advance payments	42,055,293	42,055,293	23,122,607	23,122,607
Taxation payable	49,162,318	49,162,318	39,459,010	39,459,010
Short term borrowings	85,807,272	85,807,272	30,000,000	30,000,000
	228,791,064	228,791,064	211,143,508	211,143,508

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

(a) Trade receivables and other receivables are net of specific provisions for impairment. The fair value of trade receivables and other receivables is based on expected realisation of outstanding balances taking into account the company's history with respect to delinquencies.

(b) The carrying value of certain financial instruments approximates their fair values. These include cash and cash equivalents, external payment deposits, trade and other creditors, taxes payable or recoverable and bank overdraft and receivables.

25. PRIVATIZATION

The Government of Guyana has listed the company to be privatised.