



GUYANA NATIONAL PRINTERS
LIMITED

ANNUAL REPORT 2019

Designed & Printed by G.N.P.L.

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GUYANA NATIONAL PRINTERS LTD.

Guyana National Printers Limited

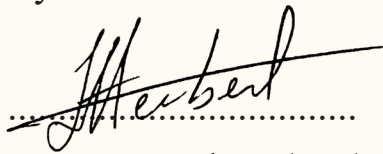
Notice of Annual General Meeting

Notice is hereby given that the thirty-eighth (38th) Annual General Meeting of the GUYANA NATIONAL PRINTERS LIMITED will be held on Tuesday, February 28, 2023, at 10:00 a.m in the Company's Boardroom, Lot 1 Public Road, La Penitence, Georgetown, for the following purposes:

AGENDA

1. Chairman's Remarks
2. To receive and consider the Company's Audited Financial Statements for the year ended December 31, 2019, and the Reports of the Directors and Auditors thereon.
3. To approve Dividends in respect of the year ended December 31, 2019, as recommended by the Directors.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To transact any other business of an Annual General Meeting.

By Order of the Board


.....

La Toya Herbert (Ms.)

Company Secretary,

February 06, 2023

Registered Office:

Lot 1 Public Road,

La Penitence,

Georgetown.

GNPL Registered Office

Guyana National Printers Ltd.
Lot 1 Public Road,
La Penitence,
Central Georgetown.

Auditor

Audit Office of Guyana
63 High Street, Kingston,
Georgetown.

External Auditor

Parmesar Chartered Accountants
1 Delph Street and Durey
Lane Campbellville,
Georgetown.

Bankers

Republic Bank Guyana
78-80 Camp and Robb Streets,
Georgetown.

New Building Society Ltd.
Avenue of The Republic,
Georgetown.



THE CHAIRMAN'S — REPORT —

Dear Valued Shareholder,

It is with pleasure that I report on the results achieved by Guyana National Printers Limited for the period ended December 31, 2019. Revenues continued to show considerable growth while progress was made in other areas of diversification.

Revenue and Profits

The Gross Revenue earned from the Company's activities in 2019 was G\$672.201 million; from this figure, G\$645.042 million was derived from the principal business activities, while the remaining balance of G\$27.15 million was mainly generated through the rental of sections of the Company's premises.

The Company's after-tax position revealed a profit of G\$156.891 million compared to a profit of G\$75.0 million in 2018, which represents G\$81.855 or a 109% increase in profits.

Retained Earnings

The retained earnings amounted to G\$299.268 million, while shareholder's equity was at G\$477.951 at the end of 2019.

Earnings Per Share

Earnings per share increased from G\$267 in 2018 to G\$557 in 2019, representing an increase in shareholders' value.

Dividends

No Dividends were paid in 2019.

Management and Staff

The Management of Guyana National Printers Limited met the challenges of the market by meeting customers' demands in a timely and effective manner.

Plans and Projections

During 2018 the company had earmarked several projects to be completed in 2019.

- i. Renovation works of the building, including replacing the roof, painting of the exterior walls of the building, installation of ceiling fans, and refurbishing and installing other washrooms.
- ii. Acquire a new costing and job estimate software to aid the Sales and Accounts team in inputting, storing, calculating, retrieving, and presenting cost and estimate data.
- iii. Acquire additional equipment and vehicles, including a flat bin collator, forklift, sales vehicles, commercial digital printers, and other computers.
- iv. There were ongoing electrical works on the ground floor due to a faulty power feed that was detected.
- v. There were plans to upgrade the internet system and allow for sharing of files, programs, and software.
- vi. Plans were also in place to update the Accounting Software System used by the Accounts Department.
- vii. Upgrade to the staff canteen to relocate or replace it from its current location was also planned.

I, therefore, report to you on the following that occurred at the end of 2019:

- i. The exterior walls of the building were painted.
- ii. A new Sales Department Office was constructed.
- iii. The roof and gutter repairs were initiated, and one of the four gutters was replaced.

- iv. A UV Coater was delivered to GNPL's premises.
- v. There were upgrades to the Exercise Book Machine and the 2 Colour Offset Printing Press.
- vi. Two delivery vans and a pickup were acquired.
- vii. New furniture was purchased for the Sales Department.
- viii. The old Sales Office was renovated for a new tenant (Scrap Metal Unit).
- ix. The ground floor electricals were completed.

Acknowledgments

In conclusion, I would like to express my sincere appreciation to my fellow Directors, and the Management Team for their wise counsel to me. A sincere thank you to the employees for their hard work and dedication throughout the year. I would also like to thank our shareholders for their continued commitment and support of GNPL.

To our suppliers and customers, I thank you for the support you have also given throughout the year; it takes great pleasure doing business with you.

A handwritten signature in black ink, appearing to read "D. Phillips", written over a horizontal dotted line.

Dr. Dexter Phillips,
Chairman of the
Board of Directors.

The Directors of Guyana National Printers Limited have the pleasure of submitting their Annual Report along with the Audited Financial Statements for the year ended December 31, 2019.

Revenue and Profits

The Gross Revenue earned from the Company's activities in 2019 was G\$672.201 million; from this figure, G\$645.042 million was derived from the principal business activities, while the remaining balance of G\$27.15 million was mainly generated through the rental of sections of the company's premises.

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Dividends

No Dividends were paid in 2019.

DIRECTOR'S REPORT

Directors

The following persons were Directors at the end of December 2019 (messrs):

- a. Ronold Alert (Chairman)
- b. Dr. Rosh Khan
- c. Tameca Sukhdeo-Singh
- d. Franklin Vieira
- e. Marlyn Nedd
- f. Myra Pierre-Moor
- g. Trevor Williams
- h. Germain Simon (Worker's Representative)
- i. Emerson Mc Koy (Production Manager)

A new Board of Directors was installed on Oct 29, 2020. However, the following list of Directors is as follows:

- a. Dr. Dexter Phillips
- b. Mark Ramotar
- c. Dion Younge
- d. Molly Hassan
- e. Nekeisha Persaud
- f. Nigel Shurland
- g. Indira Badal
- h. Melissa Edwards-French (September 8, 2022, to current)
- i. Sherrel Isaacs (October 29, 2020, to September 15, 2021)
- j. Edward Layne (October 29, 2020, to July 28, 2021 – Resigned)
- k. Germain Simon (Worker's Representative)

Directors' Interest

Members of the Board of Directors do not hold any Shares, Contracts or Shares in the Company.



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: 96/2021

25 November 2021

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 2019

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 2019, and the statement of income, statement of changes in equity and the 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 9 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 2019, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

The Company could not provide an inventory valuation as at 31 December 2019. Consequently, I cannot conclude that the inventory amount of \$157,527,902 shown as at 31 December 2019, can be relied upon.

The Company had no supporting documents to support the VAT Payable amount of \$9,927,360. As a result, I was unable to determine the authenticity of the VAT Payable amount.

The Company made no provision for tax for the year ended 31 December 2019. No tax computation was provided by management. As a result, no tax liability was included in the financial statements for the year ended 31 December 2019.

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 qualified opinion.

AUDITOR GENERAL'S REPORT

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.

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 entity'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 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 my professional judgement, were of most significance in my audit of the financial statements as at and for the year ended 31 December 2019. 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 \$308M. 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; and

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 liability of \$29M. 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 2019 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; and

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 GENERAL'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of 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.

AUDITOR GENERAL'S REPORT

Report on Other Legal and Regulatory Requirements

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



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 2019**

OPINION:

We have audited the attached financial statements of Guyana National Printers Limited which comprise the statement of financial position as at 31 December 2019 and the statement of income, statement of changes in equity and statement of cash flows for the year ended 31 December 2019, and a summary of significant accounting policies and other explanatory notes as set out on pages 9 to 31.

Except for the non provision of taxation for the year ended 31 December 2019 and the uncertainty of the value of the inventory of \$157,527,902 and value added tax payable of \$9,927,360 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 2019, 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 matters referred to in the following paragraphs.

The Company could not provide an inventory valuation as at 31 December 2019. Consequently, we cannot conclude that the inventory amount of \$157,527,902 shown as at 31 December 2019, can be relied upon.

The Company had no supporting documents to support the VAT payable amount of \$9,927,360. As a result, we were unable to determine the authenticity of the VAT payable amount.

The Company made no provision for tax for the year ended 31 December 2019. No tax computation was provided by management. As a result, no tax liability was included in the financial statements for the year ended 31 December 2019.

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.

1 Delph Street & Durey Lane, Campbellville, Georgetown, Guyana
Tel: (592) 225-6627, 225-6629, Fax 225-6647
Email: harry@pamesar.com. Website: www.pamesar.com

Our 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 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 2019. 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 \$308M. 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 liability of \$29M. 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 2019 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.



.....
PARMESAR
PARMESAR

21st September 2021

FINANCIAL STATEMENTS



GUYANA NATIONAL PRINTERS LTD.

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STATEMENT OF FINANCIAL POSITION

GUYANA NATIONAL PRINTERS LIMITED
STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2019
(Expressed in Guyana dollars)

ASSETS	Note	2019	2018
NON- CURRENT ASSETS			
Property, plant and equipment	3	308,296,811	257,102,495
CURRENT ASSETS			
Inventories	4	157,527,902	139,444,972
Receivables and prepayments	5	212,238,178	146,735,669
Taxation recoverable		5,086,434	5,086,434
External payments deposits	6	100,977	100,977
Cash and bank	7	23,944,946	64,834,322
		<u>398,898,437</u>	<u>356,202,374</u>
TOTAL ASSETS		707,195,248	613,304,869
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	8	2,814,850	2,814,850
Accumulated earnings		299,268,922	128,740,834
Revaluation reserve		175,867,420	175,867,420
		<u>477,951,192</u>	<u>307,423,104</u>
NON CURRENT LIABILITIES			
Borrowings	9	75,807,272	95,807,272
Defined benefit liability	10	29,131,000	31,431,000
		<u>104,938,272</u>	<u>127,238,272</u>
CURRENT LIABILITIES			
Payables and accruals	11	56,183,440	128,976,827
Advance payments	12	5,955,358	4,144,067
Taxation payable		15,342,914	15,342,914
Short term borrowings	13	46,824,072	30,179,685
		<u>124,305,784</u>	<u>178,643,493</u>
TOTAL EQUITY AND LIABILITIES		707,195,248	613,304,869

These financial statements were approved by the Board of Directors on 8 September 2021.

.....
 Director

.....
 Director

“The accompanying notes form an integral part of these financial statements”

STATEMENT OF INCOME

GUYANA NATIONAL PRINTERS LIMITED
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019
(Expressed in Guyana Dollars)

	Note	2019	2018
REVENUE	14	645,042,247	545,929,261
COST OF SALES	15	(371,962,312)	(359,968,335)
GROSS PROFIT		<u>273,079,935</u>	<u>185,960,926</u>
OTHER INCOME	16	27,158,830	23,787,466
		<u>300,238,765</u>	<u>209,748,392</u>
LESS EXPENSES:			
Administrative expenses	17	<u>(143,347,677)</u>	<u>(123,575,700)</u>
PROFIT BEFORE TAXATION		156,891,088	86,172,692
TAXATION	18	-	(11,137,061)
PROFIT AFTER TAXATION		<u>156,891,088</u>	<u>75,035,631</u>
OTHER COMPREHENSIVE INCOME:			
Remeasurement of provision of employee benefits		<u>13,637,000</u>	<u>80,840,000</u>
TOTAL COMPREHENSIVE INCOME		<u>170,528,088</u>	<u>155,875,631</u>
EARNINGS PER SHARE	19	<u>557</u>	<u>267</u>

STATEMENT OF CHANGES IN EQUITY

GUYANA NATIONAL PRINTERS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019
(Expressed in Guyana Dollars)

	Share capital	Accumulated earning	Revaluation reserve	Total
Year ended 31 December 2019				
As at beginning of year	2,814,850	128,740,834	175,867,420	307,423,104
Profit for the year		170,528,088		170,528,088
As at end of year	<u>2,814,850</u>	<u>299,268,922</u>	<u>175,867,420</u>	<u>477,951,192</u>
Year ended 31 December 2018				
As at beginning of year	2,814,850	(27,134,797)	175,867,420	151,547,473
Profit for the year	-	155,875,631	-	155,875,631
As at end of year	<u>2,814,850</u>	<u>128,740,834</u>	<u>175,867,420</u>	<u>307,423,104</u>

STATEMENT OF CASH FLOW

GUYANA NATIONAL PRINTERS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019
(Expressed in Guyana Dollars)

	2019	2018
OPERATING ACTIVITIES		
Profit before tax	156,891,088	86,172,692
Adjustment for:		
Depreciation	10,786,118	10,615,334
Net movement in defined benefit liability	11,336,999	8,797,113
Operating profit before working capital changes	179,014,205	105,585,139
Increase in inventories	(18,082,930)	(60,311,922)
Increase in receivables and prepayments	(65,502,509)	(86,121,516)
(Decrease) / increase in payables and accruals	(72,793,386)	42,064,228
Increase in advance payments	1,811,291	994,634
Cash generated from operations	24,446,671	2,210,563
Taxes paid	-	(2,798,397)
Net Cash Inflow / (Outflow) - Operating Activities	24,446,671	(587,834)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(61,980,434)	(26,232,045)
Duty exemption on property, plant and equipment	-	3,344,878
Net Cash Outflow - Investing Activities	(61,980,434)	(22,887,167)
FINANCING ACTIVITIES		
Loan repayment	(10,000,000)	-
Net Cash Outflow - Financing Activities	(10,000,000)	-
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(47,533,763)	(23,475,000)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	64,654,637	88,129,637
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	17,120,874	64,654,637
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank	23,944,946	64,834,322
Bank overdraft	(6,824,072)	(179,685)
	17,120,874	64,654,637

GUYANA NATIONAL PRINTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019

(Expressed in Guyana Dollars)

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 Guyana National Printers Limited.

(b) Principal Activity

The Company's principal activities are to provide printing and packaging 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

IFRS 16	Leases	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
	Prepayment Features with Negative Compensation (Amendments to IFRS 9)	1 January 2019
	Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	1 January 2019
	Annual Improvements to IFRS Standards 2015-2017 Cycle	1 January 2019
	Plan Amendment, Curtailment or Settlement (Amendment to IAS 19)	1 January 2019
	Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
	Definition of a Business (Amendments to IFRS 3)	1 January 2020
	Definition of Material (Amendments to IAS 1 and IAS 8)	1 January 2020
IFRS 17	Insurance Contracts	1 January 2021

GUYANA NATIONAL PRINTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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1. SIGNIFICANT ACCOUNTING POLICIES CONT'D

(c) Foreign Currency 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. Revalues 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%

GUYANA NATIONAL PRINTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019

(Expressed in Guyana Dollars)

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.

NOTES TO THE FINANCIAL STATEMENTS

GUYANA NATIONAL PRINTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Guyana Dollars)

3. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings		Plant Machinery and Equipment	Motor Vehicles	2019 Total
	Freehold	Leasehold			
COST / VALUATION					
As at beginning of year	169,483,087	957	228,494,698	7,999,770	405,978,512
Additions	28,241,508	-	21,706,291	12,032,635	61,980,434
As at end of year	<u>197,724,595</u>	<u>957</u>	<u>250,200,989</u>	<u>20,032,405</u>	<u>467,958,946</u>
COMPRISING:					
Cost	85,535,509	957	229,972,992	20,032,405	335,541,863
Valuation	112,189,086	-	20,227,997	-	132,417,083
	<u>197,724,595</u>	<u>957</u>	<u>250,200,989</u>	<u>20,032,405</u>	<u>467,958,946</u>
DEPRECIATION					
As at beginning of year	26,392,096	-	115,172,428	7,311,493	148,876,017
Charges for the year	3,954,511	-	6,143,333	688,274	10,786,118
As at end of year	<u>30,346,607</u>	<u>-</u>	<u>121,315,761</u>	<u>7,999,767</u>	<u>159,662,135</u>
NET BOOK VALUE					
As at end of year	<u>167,377,988</u>	<u>957</u>	<u>128,885,228</u>	<u>12,032,638</u>	<u>308,296,811</u>

NOTES TO THE FINANCIAL STATEMENTS

GUYANA NATIONAL PRINTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019
(Expressed in Guyana Dollars)

3. PROPERTY, PLANT AND EQUIPMENT CONTD

	Land and Buildings		Plant Machinery and Equipment	Motor Vehicles	2018 Total
	Freehold	Leasehold			
COST / VALUATION					
As at beginning of year	153,021,382	957	218,724,358	7,999,770	379,746,467
Additions	16,461,705	-	9,770,340	-	26,232,045
As at end of year	<u>169,483,087</u>	<u>957</u>	<u>228,494,698</u>	<u>7,999,770</u>	<u>405,978,512</u>
COMPRISING:					
Cost	57,294,001	957	208,266,701	7,999,770	273,561,429
Valuation	112,189,086	-	20,227,997	-	132,417,083
	<u>169,483,087</u>	<u>957</u>	<u>228,494,698</u>	<u>7,999,770</u>	<u>405,978,512</u>
DEPRECIATION					
As at beginning of year	23,002,415	-	108,984,217	6,274,051	138,260,683
Charges for the year	3,389,681	-	6,188,211	1,037,442	10,615,334
As at end of year	<u>26,392,096</u>	<u>-</u>	<u>115,172,428</u>	<u>7,311,493</u>	<u>148,876,017</u>
NET BOOK VALUE					
As at end of year	<u>143,090,991</u>	<u>957</u>	<u>113,322,270</u>	<u>688,277</u>	<u>257,102,495</u>

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 valuers. The surplus on the revaluation has been credited to capital reserve.

If assets were not revalued the estimated net book value would be G\$ 175,879,728 (2018-G\$124,685,414)

NOTES TO THE FINANCIAL STATEMENTS

GUYANA NATIONAL PRINTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Guyana Dollars)

	2019	2018
4. INVENTORIES		
Raw materials	94,343,772	94,123,808
Finished goods	28,982,305	12,504,831
Work-in-progress	13,062,806	21,238,048
Spares	21,139,019	11,578,285
	<u>157,527,902</u>	<u>139,444,972</u>
All inventories are expected to be recovered within twelve months.		
5. RECEIVABLES AND PREPAYMENTS		
Trade receivables	192,464,927	144,003,593
Less: provision for impairment collectively assessed (i)	<u>(8,640,216)</u>	<u>(8,640,216)</u>
	183,824,711	135,363,377
Sundry receivables	1,207,539	1,016,463
Prepayments / advances	<u>27,205,928</u>	<u>10,355,829</u>
	<u>212,238,178</u>	<u>146,735,669</u>
(i) As at beginning of year	8,640,216	2,868,355
Provision adjustment for the year	<u>-</u>	<u>5,771,861</u>
As at end of year	<u>8,640,216</u>	<u>8,640,216</u>
6. EXTERNAL PAYMENTS DEPOSITS	<u>100,977</u>	<u>100,977</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

GUYANA NATIONAL PRINTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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7. CASH AND BANK	2019	2018
Cash at bank	23,699,946	64,302,022
Cash in hand	245,000	532,300
	<u>23,944,946</u>	<u>64,834,322</u>

8. SHARE CAPITAL

Authorised		
300,000 ordinary shares of no par value	<u>3,000,000</u>	<u>3,000,000</u>
Issued and fully paid		
281,485 ordinary shares of no par value	<u>2,814,850</u>	<u>2,814,850</u>

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

9. LOANS

(i) Ministry of Finance	25,807,272	25,807,272
(ii) Ministry of Finance - 2017-2023 (2% per annum)	90,000,000	100,000,000
	<u>115,807,272</u>	<u>125,807,272</u>
Repayable within one year (note 13)	<u>(40,000,000)</u>	<u>(30,000,000)</u>
Repayable after one year	<u>75,807,272</u>	<u>95,807,272</u>

- (i) This represents monies borrowed from the Government of Guyana for which the terms and conditions are yet to be finalised.

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 2016 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.

NOTES TO THE FINANCIAL STATEMENTS

GUYANA NATIONAL PRINTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Guyana Dollars)

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 :

	2019	2018
Present value of funded defined benefit obligation	530,530,000	494,730,000
Fair value of plan assets	(501,399,000)	(463,299,000)
Net liability arising from defined benefit obligation	<u>29,131,000</u>	<u>31,431,000</u>

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

Defined benefit obligation at start of year	494,730,000	408,360,000
Current service cost	18,329,000	15,333,000
Interest cost	24,336,000	19,962,000
Members' contributions	4,223,000	3,847,000
Experience adjustments	5,127,000	(452,000)
Actuarial (gains)/losses From Changes in Demo.Assump	-	66,147,000
Benefits paid	(16,215,000)	(18,467,000)
	<u>530,530,000</u>	<u>494,730,000</u>

(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	463,299,000	307,784,000
Interest income	23,073,000	15,235,000
Return on plan assets (excluding interest income)	18,764,000	146,535,000
Company contributions	8,255,000	8,365,000
Members' contributions	4,223,000	3,847,000
Benefits paid	(16,215,000)	(18,467,000)
Fair value of plan assets at end of year	<u>501,399,000</u>	<u>463,299,000</u>
Actual return on plan assets	41,837,000	161,770,000

NOTES TO THE FINANCIAL STATEMENTS

GUYANA NATIONAL PRINTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Guyana Dollars)

10. DEFINED BENEFIT LIABILITY CONT'D	2019	2018
(e) Asset Allocation		
Cash and cash equivalents	159,956,000	156,022,000
Local and regional listed equities	214,036,000	185,274,000
Overseas equities	17,801,000	18,387,000
Regional bonds	68,818,000	73,774,000
Developed market bonds	13,246,000	2,686,000
Property	27,542,000	27,156,000
Fair value of plan assets at end of year	<u>501,399,000</u>	<u>463,299,000</u>
(f) Expense recognised in Profit or Loss		
Current service cost	18,329,000	15,333,000
Net interest on net defined liability/ (asset)	1,263,000	4,727,000
Net pension cost	<u>19,592,000</u>	<u>20,060,000</u>
(g) Re-measurements recognised in Other Comprehensive Income :		
Experience (gains)/losses	(13,637,000)	(80,840,000)
Total amount recognised in Other Comprehensive Income	<u>(13,637,000)</u>	<u>(80,840,000)</u>
(h) Reconciliation of Opening and closing statement of financial position entries:		
Defined benefit Liability/ (Asset)	31,431,000	100,576,000
Net Pension Cost	19,592,000	20,060,000
Re-measurements recognised in Other Comprehensive Income	(13,637,000)	(80,840,000)
Company's contributions paid	(8,255,000)	(8,365,000)
	<u>29,131,000</u>	<u>31,431,000</u>

NOTES TO THE FINANCIAL STATEMENTS

GUYANA NATIONAL PRINTERS LIMITED
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10. DEFINED BENEFIT LIABILITY CONT'D	2019	2018
(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%
<p>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 2018 and 2019 are as follows:</p>		
Life expectancy at age 60 for current pensioner in years		
Male	22.3	22.3
Female	27.1	27.1
Life expectancy at age 60 for current members age 40 in years		
Male	22.3	22.3
Female	27.1	27.1

(j) Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at 31 December 2019 would have changed as a result of a change in the assumption used:

	1% pa Decrease	1% pa Decrease
Discount rate	89,286,000	83,261,000
Future salary increase	(22,660,000)	(21,131,000)

An increase of 1 year in the assumed life expectancies show above would increase the defined benefit obligation as 31 December 2019 by \$12,727,000.

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 2020.

NOTES TO THE FINANCIAL STATEMENTS

GUYANA NATIONAL PRINTERS LIMITED
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11. PAYABLES AND ACCRUALS	2019	2018
Trade payables	27,633,491	82,385,211
Other creditors and accruals	28,549,949	46,591,616
	<u>56,183,440</u>	<u>128,976,827</u>
 12. ADVANCE PAYMENTS		
Local	<u>5,955,358</u>	<u>4,144,067</u>
<p>This represents amounts received in advance for jobs to be done on behalf of various customers.</p>		
 13. SHORT TERM BORROWINGS		
Bank overdraft	6,824,072	179,685
Loan (note 9)	40,000,000	30,000,000
	<u>46,824,072</u>	<u>30,179,685</u>
 14. REVENUE		
Government	625,609,128	524,287,056
Private	19,433,119	21,642,205
	<u>645,042,247</u>	<u>545,929,261</u>
 15. COST OF SALES		
Opening work in progress	21,238,048	13,511,719
Materials used	221,210,218	97,770,284
Sub-Contracting	-	101,243,713
Overheads	105,606,924	119,788,597
Direct labour	45,145,170	49,131,267
Closing work in progress	(13,062,806)	(21,238,048)
Finished goods consumed	(8,175,242)	(239,197)
	<u>371,962,312</u>	<u>359,968,335</u>

NOTES TO THE FINANCIAL STATEMENTS

GUYANA NATIONAL PRINTERS LIMITED
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16. OTHER INCOME	2019	2018
Interest income	1,159	47,733
Others	668,096	653,596
Exchange gain	3,577,678	2,596,266
Phone card commissions	7,020	125,871
Rental income	22,904,877	20,364,000
	<u>27,158,830</u>	<u>23,787,466</u>
17. ADMINISTRATIVE EXPENSES		
Employment Costs:		
Salaries and wages	79,703,838	53,335,294
Pensions - management fee	1,578,740	1,422,339
Pension costs	19,592,000	20,060,000
Other staff costs	11,242,705	11,789,396
	<u>112,117,283</u>	<u>86,607,029</u>
Other Costs:		
Depreciation (a)	6,477,323	6,317,148
Auditor's remuneration	2,650,000	3,083,262
Actuary Fees	-	466,560
Directors' emoluments	955,000	720,000
Bad debts	-	5,771,861
	<u>143,347,677</u>	<u>123,575,700</u>
(a) Depreciation		
Administration	6,477,323	6,317,148
Overheads	4,308,794	4,298,186
	<u>10,786,117</u>	<u>10,615,334</u>
18. TAXATION		
The provisional charge for taxation in the financial statements is made up as follows:		
Current		
Corporation tax - 25% (2018 - 27.5%)	-	9,175,370
Property tax	-	1,961,691
	<u>-</u>	<u>11,137,061</u>

NOTES TO THE FINANCIAL STATEMENTS

GUYANA NATIONAL PRINTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Guyana Dollars)

	2019	2018
18. TAXATION CONT'D		
Reconciliation of corporation tax expense and accounting profit / (loss):		
Profit before taxation	156,891,088	86,172,692
Corporation tax - 25%	39,222,772	23,697,490
Property tax	-	1,961,692
Deferred tax not recognised	(39,222,772)	(14,522,120)
	<u>-</u>	<u>11,137,062</u>

The Company utilised tax losses of nil (2018-\$33,364,982).

The Company has tax losses of \$36,621,093 (2018-\$36,621,093) available to set off against future pre-tax profits.

19. EARNINGS PER SHARE

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

Profit attributable to shareholders	<u>156,891,088</u>	<u>75,035,631</u>
Weighted average number of shares in issue	<u>281,485</u>	<u>281,485</u>
Earnings per share	<u>557</u>	<u>267</u>

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

Due from	<u>188,041,122</u>	<u>139,300,361</u>
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NOTES TO THE FINANCIAL STATEMENTS

GUYANA NATIONAL PRINTERS LIMITED
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20. RELATED PARTY TRANSACTIONS (CONT'D)	2019	2018	
(b) Directors emoluments			
Terrence Campbell	-	40,000	
Franklin Vieira	105,000	75,000	
Marlon Williams	-	30,000	
Ronald Alert	120,000	110,000	
Myra Pierre-Moore	100,000	75,000	
Emerson McKoy	105,000	75,000	
Germain Simon	105,000	75,000	
Tameca Sukhdeo-Singh	105,000	75,000	
Rosh Khan	105,000	45,000	
Trevor Williams	105,000	45,000	
Marlyn Nedd	105,000	75,000	
	<u>955,000</u>	<u>720,000</u>	
(c) Compensation of key management personnel			
Short-term employee benefits	<u>29,949,583</u>	<u>26,025,002</u>	
Post-employment benefits	<u>3,345,021</u>	<u>4,542,796</u>	
21. FINANCIAL INSTRUMENTS			
	Loans and	2019	
	Receivables	Financial Assets	
ASSETS		and Liabilities at	
		Amortised Cost	Total
Receivables and prepayments	212,238,178	-	212,238,178
Taxes recoverable	5,086,434	-	5,086,434
External payments deposit	-	100,977	100,977
Cash and bank	-	23,944,946	23,944,946
Total Assets	<u>217,324,612</u>	<u>24,045,923</u>	<u>241,370,535</u>
LIABILITIES			
Borrowings	-	75,807,272	75,807,272
Defined benefit liability	-	29,131,000	29,131,000
Payables and accruals	-	56,183,440	56,183,440
Advance payments	-	5,955,358	5,955,358
Taxation payable	-	15,342,914	15,342,914
Short term borrowings	-	46,824,072	46,824,072
Total Liabilities	<u>-</u>	<u>229,244,056</u>	<u>229,244,056</u>

NOTES TO THE FINANCIAL STATEMENTS

GUYANA NATIONAL PRINTERS LIMITED
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21. FINANCIAL INSTRUMENTS CONT'D

ASSETS	2018		
	Loans and Receivables G\$	Financial Assets and Liabilities at Amortised Cost G\$	Total G\$
Receivables and prepayments	146,735,669	-	146,735,669
Taxes recoverable	5,086,434	-	5,086,434
External payments deposit	-	100,977	100,977
Cash and bank	-	64,834,322	64,834,322
Total Assets	151,822,103	64,935,299	216,757,402
LIABILITIES			
Borrowings	-	95,807,272	95,807,272
Defined benefit liability	-	31,431,000	31,431,000
Payables and accruals	-	128,976,827	128,976,827
Advance payments	-	4,144,067	4,144,067
Taxation payable	-	15,342,914	15,342,914
Short term borrowings	-	30,179,685	30,179,685
Total Liabilities	-	305,881,765	305,881,765

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

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22. CAPITAL RISK MANAGEMENT

	2019	2018
The gearing ratio at the year end was as		
(i) Debt	122,631,344	125,986,957
Cash and cash equivalents	<u>(23,944,946)</u>	<u>(64,834,322)</u>
Net balance	<u>98,686,398</u>	<u>61,152,635</u>
(ii) Equity	<u>477,951,192</u>	<u>307,423,104</u>

(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.

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23. FINANCIAL RISK MANAGEMENT (CONT'D)

(i) Interest Rate Risk (Cont'd)

	Average Interest rate	Maturing 2019		
		Within 1 year	Non interest bearing	Total
Assets				
Receivables and prepayments	-	-	212,238,178	212,238,178
Taxes recoverable	-	-	5,086,434	5,086,434
External payments deposit	-	-	100,977	100,977
Cash and bank	2.3	23,799,946	145,000	23,944,946
		<u>23,799,946</u>	<u>217,570,589</u>	<u>241,370,535</u>
Liabilities				
Borrowings	-	46,824,072	75,807,272	122,631,344
Defined benefit liability	-	-	29,131,000	29,131,000
Payables and accruals	-	-	56,183,440	56,183,440
Advance payments	-	-	5,955,358	5,955,358
Taxation payable	-	-	15,342,914	15,342,914
		<u>46,824,072</u>	<u>182,419,984</u>	<u>229,244,056</u>
Interest sensitivity gap		<u>(23,024,126)</u>		
Maturing 2018				
	Average Interest rate	Within 1 year	Non interest bearing	Total
Assets				
Receivables and prepayments	-	-	146,735,669	146,735,669
Taxes recoverable	-	-	5,086,434	5,086,434
External payments deposit	-	-	100,977	100,977
Cash and bank	2.3	64,689,322	145,000	64,834,322
		<u>64,689,322</u>	<u>152,068,080</u>	<u>216,757,402</u>
Liabilities				
Borrowings	-	30,179,685	95,807,272	125,986,957
Defined benefit liability	-	-	31,431,000	31,431,000
Payables and accruals	-	-	128,976,827	128,976,827
Advance payments	-	-	4,144,067	4,144,067
Taxation payable	-	-	15,342,914	15,342,914
		<u>30,179,685</u>	<u>275,702,080</u>	<u>305,881,765</u>
Interest sensitivity gap		<u>34,509,637</u>		

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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:

	2019	2018
	Increase / (decrease) in profits	Increase / (decrease) in profits
	G\$	G\$
Local instruments	+ / - 50	+ / - 629,036

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.

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23. FINANCIAL RISK MANAGEMENT (CONT'D)

(iv) Foreign Currency Risk (Cont'd)

Foreign Currency Sensitivity Analysis (Cont'd)	2019	2018
Loss	<u>7,234</u>	<u>1,172,018</u>

(b) 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 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	23,944,946	64,834,322
External payment deposits	100,977	100,977
Receivables and prepayments	212,238,178	146,735,669
Taxation recoverable	5,086,434	5,086,434
Maximum exposure	<u>241,370,535</u>	<u>216,757,402</u>

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.

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23. FINANCIAL RISK MANAGEMENT (CONT'D)	2019	2018
(b) Credit Risk (Cont'd)		
Trade receivables	<u>192,464,927</u>	<u>144,003,593</u>
The above balance is classified as follows:		
Current	30,039,407	32,961,851
Past due but not impaired	153,785,304	102,401,526
Impaired	<u>8,640,216</u>	<u>8,640,216</u>
	<u>192,464,927</u>	<u>144,003,593</u>
Ageing of trade receivables which were past due but not impaired:		
30-59 days	40,963,222	22,006,805
60-89 days	<u>112,822,082</u>	<u>80,394,721</u>
	<u>153,785,304</u>	<u>102,401,526</u>
Provision for impairment collectivity assessed	<u>8,640,216</u>	<u>8,640,216</u>

(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.

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23. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity Risk (Cont'd)

	Maturing 2019			
	Within 1 year			Total
	On demand	3-12 months	Over 1 year	
Assets				
Receivables and prepayments	-	212,238,178	-	212,238,178
Taxes recoverable	-	5,086,434	-	5,086,434
External payments deposit	-	100,977	-	100,977
Cash and bank	23,944,946	-	-	23,944,946
	<u>23,944,946</u>	<u>217,425,589</u>	<u>-</u>	<u>241,370,535</u>
Liabilities				
Borrowings	-	46,824,072	75,807,272	122,631,344
Defined benefit liability	-	-	29,131,000	29,131,000
Payables and accruals	-	56,183,440	-	56,183,440
Advance payments	5,955,358	-	-	5,955,358
Taxation payable	-	15,342,914	-	15,342,914
	<u>5,955,358</u>	<u>118,350,426</u>	<u>104,938,272</u>	<u>229,244,056</u>
Net assets / (liabilities)	<u>17,989,588</u>	<u>99,075,163</u>	<u>(104,938,272)</u>	<u>12,126,479</u>

	Maturing 2018			
	Within 1 year			Total
	On demand	3-12 months	Over 1 year	
Assets				
Receivables and prepayments	-	146,735,669	-	146,735,669
Taxes recoverable	-	5,086,434	-	5,086,434
External payments deposit	-	100,977	-	100,977
Cash and bank	64,834,322	-	-	64,834,322
	<u>64,834,322</u>	<u>151,923,080</u>	<u>-</u>	<u>216,757,402</u>
Liabilities				
Borrowings	-	30,179,685	95,807,272	125,986,957
Defined benefit liability	-	-	31,431,000	31,431,000
Payables and accruals	-	128,976,827	-	128,976,827
Advance payments	4,144,067	-	-	4,144,067
Taxation payable	-	15,342,914	-	15,342,914
	<u>4,144,067</u>	<u>174,499,426</u>	<u>127,238,272</u>	<u>305,881,765</u>
Net assets / (liabilities)	<u>60,690,255</u>	<u>(22,576,346)</u>	<u>(127,238,272)</u>	<u>(89,124,363)</u>

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24. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Receivables and prepayments	212,238,178	212,238,178	146,735,669	146,735,669
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	23,944,946	23,944,946	64,834,322	64,834,322
	<u>241,370,535</u>	<u>241,370,535</u>	<u>216,757,402</u>	<u>216,757,402</u>
Financial Liabilities				
Borrowings	75,807,272	75,807,272	95,807,272	95,807,272
Defined benefit liability	29,131,000	29,131,000	31,431,000	31,431,000
Payables and accruals	56,183,440	56,183,440	128,976,827	128,976,827
Advance payments	5,955,358	5,955,358	4,144,067	4,144,067
Taxation payable	15,342,914	15,342,914	15,342,914	15,342,914
Short term borrowings	46,824,072	46,824,072	30,179,685	30,179,685
	<u>229,244,056</u>	<u>229,244,056</u>	<u>305,881,765</u>	<u>305,881,765</u>

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.

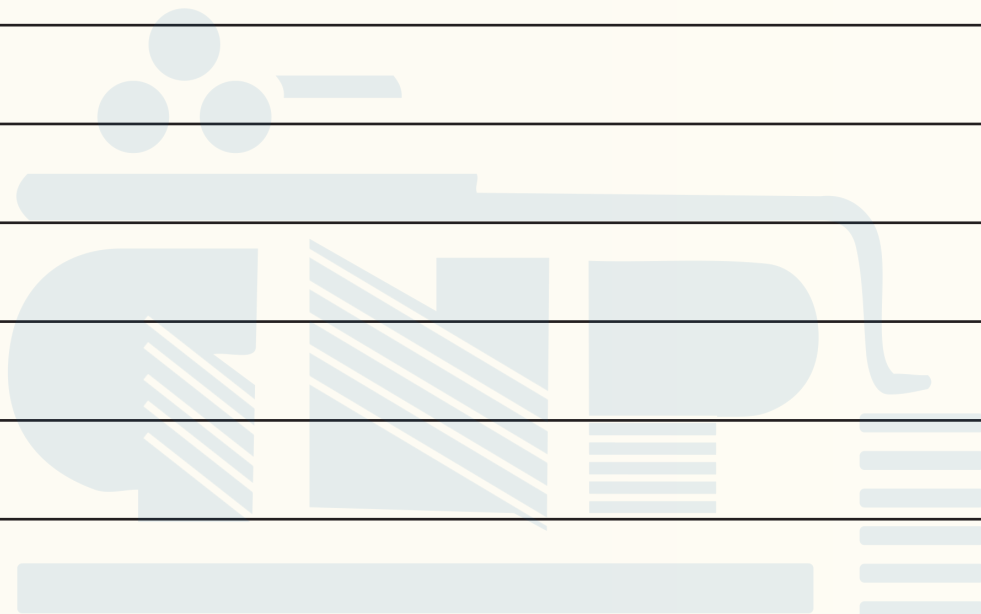
25. PRIVATIZATION

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

SHAREHOLDER'S NOTES

GUYANA NATIONAL PRINTERS LTD.

SHAREHOLDER'S NOTES



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