

AUDITED FINANCIAL STATEMENTS OF THE
GUYANA MARKETING CORPORATION

FOR THE YEAR ENDED
31 DECEMBER 2017

CONTRACTED AUDITORS: D. BAHADUR & COMPANY
125 LALUNI STREET
QUEENSTOWN
GEORGETOWN

AUDITORS: AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

AUDITED FINANCIAL STATEMENTS OF THE
GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2017

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Audit Office of Guyana

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88/PC:46/2/2020

9 June 2020

Ms. Ida Sealey-Adams
General Manager
Guyana Marketing Corporation
Robb & Alexander Streets
Georgetown.

Dear Ms. Sealey-Adams.

AUDIT OF THE FINANCIAL STATEMENTS FOR THE
GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2017

Please find attached nine (9) 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,


M. Harcourt
Audit Manager (ag.)
for Auditor General



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AG: 43/2020

9 June 2020

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS OF
THE GUYANA MARKETING CORPORATION
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Qualified Opinion

Chartered Accountants D. Bahadur & Company Chartered Accountants have audited on my behalf the financial statements of Guyana Marketing Corporation, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive 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 1 to 14.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraphs, the accompanying financial statements present fairly, in all material respects, the financial position of the Guyana Marketing Corporation as at 31 December 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

The Corporation's receivables in the statement of financial position is \$88,206,726. Included in this balance is an amount of \$86,994,711 due from the Guyana Sugar Corporation Inc. This balance has been coming forward for more than three years and no provision was made nor was a payment arrangement entered into to liquidate this balance.

Accordingly, the receivables balance would have been reduced by \$86,994,711 while profit for the Corporation would have been reduced by the same 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 Institutions (ISSAIs) and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Corporation 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.

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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Corporation'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 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 Corporation'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 Corporation'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 Corporation 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.

I also provide those charged with governance with a statement that I have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF THE BOARD OF DIRECTORS OF
THE GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2017

Report on the Financial Statements

We have audited the accompanying financial statements of **Guyana Marketing Corporation** which comprise the statement of financial position as at December 31, 2017 and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraphs, the accompanying financial statements present fairly, in all material respects, the financial position of **Guyana Marketing Corporation** as at December 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

Basis for Qualified Opinion

The Corporation's receivables in the statement of financial position are \$88,206,726. Included in this balance is an amount of \$86,994,711 due from the Guyana Sugar Corporation Inc. This balance has been coming forward for more than three(3) years and no provision was made for it nor was a payment arrangement entered into to liquidate this balance.

Accordingly, receivables balance would have been reduced by \$86,994,711 while profit for the Corporation would have been reduced by the same amount.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Corporation 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 other 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.

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

The Directors/Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and selecting appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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 auditors' report that includes that opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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, we exercise professional judgement and maintain professional scepticism throughout the planning and performance of 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 omission, 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimated and related disclosures made by management.

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We are required to 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. We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

D. Bahadur & Co.
D. Bahadur & Co.
Chartered Accountants
125 Laluni Street
Queenstown
Georgetown
Guyana



5 June 2020

Guyana Marketing Corporation
Statement of Financial Position
For the year ended December 31, 2017

<u>ASSETS</u>	<u>Notes</u>	<u>GS</u> <u>2017</u>	<u>GS</u> <u>2016</u>
Current assets			
Cash & cash equivalents	5	191,674,332	73,340,545
Accounts receivables	6	88,206,726	88,472,210
Investment - Packaging center	5	-	91,020,466
Inventory	7	3,752,445	3,583,002
Total current assets		283,633,503	256,416,224
Non-current asset			
Property, plant & equipment	4	129,732,338	116,090,239
TOTAL ASSETS		413,365,842	372,506,463
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Accounts payable	8	23,739,267	1,535,854
Total current liabilities		23,739,267	1,535,854
Non-current liabilities			
Deferred income	9	100,776,850	103,563,264
Total current liabilities		100,776,850	103,563,264
Equity			
Government contribution		25,102,348	25,102,348
Surplus/(deficit)		263,747,376	242,304,997
Total equity		288,849,725	267,407,345
TOTAL LIABILITIES AND EQUITY		413,365,842	372,506,463

The notes on pages 5 to 14 form an integral part of these financial statement. The Board of Directors approved these financial statements for issue on 1 June 2020



Director



Director

Guyana Marketing Corporation
Statement of Comprehensive Income
For the year ended December 31, 2017

<u>Income</u>	<u>Notes</u>	<u>GS</u> <u>2017</u>	<u>GS</u> <u>2016</u>
Sales	11	52,764,599	42,100,977
Cost of sales	10	(44,991,816)	(36,073,150)
Gross profit		7,772,783	6,027,827
Other income	13	9,678,156	7,359,160
Government Grants	12	171,061,502	147,552,294
		<u>188,512,441</u>	<u>160,939,281</u>
Expenses			
Selling and distribution expenses	14	3,251,272	1,766,159
Administrative expenses	15	163,315,306	147,522,168
Financial expenses	16	503,484	414,285
Total expenses		<u>167,070,062</u>	<u>149,702,612</u>
Net profit before taxation		21,442,379	11,236,669
Taxation		-	-
Net profit after taxation		<u><u>21,442,379</u></u>	<u><u>11,236,669</u></u>

Guyana Marketing Corporation
Statement of Changes in Equity
For the year ended December 31, 2017

	Government of Guyana GS	Retained earnings GS	Total GS
Balance as at December 31, 2015	<u>25,102,348</u>	<u>231,068,328</u>	<u>256,170,676</u>
Net profit for the year after tax	<u>-</u>	<u>11,236,669</u>	<u>11,236,669</u>
Balance as at December 31, 2016	25,102,348	242,304,997	267,407,345
Net profit for the year after tax	-	21,442,379	21,442,379
Balance as at December 31, 2017	<u>25,102,348</u>	<u>263,747,376</u>	<u>288,849,725</u>

Guyana Marketing Corporation

Statement of Cash Flows

For the year ended December 31, 2017

	<u>GS</u> <u>2017</u>	<u>GS</u> <u>2016</u>
Cash flows from operating activities		
Net surplus/(deficit)	21,442,379	11,236,669
Adjustments for		
(Gain)/loss on disposal of assets	523,708	40,951
Depreciation	17,376,536	17,009,128
Operating profit/loss before working capital changes	<u>39,342,623</u>	<u>28,286,748</u>
(Increase)/decrease in receivables	265,484	(505,935)
(Increase) in inventory	(169,443)	1,284,466
Increase/(decrease) accounts payable	22,203,413	(231,561)
Increase/(decrease) deferred income	(2,786,414)	(2,728,045)
Cash generated from operations	<u>58,855,664</u>	<u>26,105,673</u>
Net cash from operating activities	<u>58,855,664</u>	<u>26,105,673</u>
Investing activities		
Packaging center	-	-
Acquisition of property, plant & equipment	(31,542,343)	(7,071,317)
Net cash from investing activities	<u>(31,542,343)</u>	<u>(7,071,317)</u>
Financing activities		
Government contribution	-	-
Net cash flow from financing activities	<u>-</u>	<u>-</u>
Net increase/decrease in cash and cash equivalents	<u>27,313,321</u>	<u>19,034,356</u>
Cash and cash equivalents at the beginning of the year	164,361,011	145,326,656
Cash and cash equivalents at the end of the year	<u><u>191,674,332</u></u>	<u><u>164,361,011</u></u>
An analysis of cash and cash equivalents as at December 31,		
Cash at bank	191,674,332	164,361,011
Cash on hand	-	-
Total	<u><u>191,674,332</u></u>	<u><u>164,361,011</u></u>

Guyana Marketing Corporation

Notes to the Financial Statements

For the year ended December 31, 2017

1 General information

The Corporation was established in Guyana under Section 3 of the Public Corporation Act 19:05 of the laws of Guyana and is involved in the facilitation for exportation of non – traditional fresh and processed agricultural products. The corporation changed its policies in 1985 to include a mandate to provide market facilitation services to the private sector for the export of non-traditional agricultural produce, facilitate local market development, develop and disseminate post-harvest technology, conduct market research and provide market intelligence services to farmers.

The operations of Guyana Marketing Corporation (New Guyana Marketing Corporation) are governed by a Board of Directors.

2 Basis of preparation and accounting policies

These financial statements have been prepared in accordance with the *International Accounting Standards (IASs)* issued by the International Accounting Standards Board.

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention.

(b) Compliance with laws

The main laws at present which govern the functions and operations of Guyana Marketing Corporation include:

- * The Procurement Act (2004)
- * The Stores Regulations (1993)
- * Public Corporations Act 19:05
- * Fiscal Management and Accountability Act (2003)
- * Government Circulars
- * International Financial Reporting Standards

(c) Income & expenditure

The accrual method of accounting is used to account for income and expenditure in these financial statements.

Guyana Marketing Corporation

Notes to the Financial Statements

For the year ended December 31, 2017

2 Basis of preparation and accounting policies - cont'd

(d) Property, plant & equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the reducing balance method. The following annual rates are used for the depreciation of property, plant and equipment:

Freehold land	0%
Buildings	2%
Machinery and equipment	10%
Furniture and fittings	4% - 20%
Motor vehicles	25%
Software	4% - 20%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

(e) Impairment of assets

At each reporting date, property, plant & equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

(f) Reporting currency

These financial statements are stated in Guyana Dollars and foreign currency transactions during the year were translated at the prevailing exchange rate at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies at the date of the statement of financial position are translated at the prevailing exchange rate at the end of the year and exchange gain/losses were recognised in the statement of comprehensive income.

Guyana Marketing Corporation

Notes to the Financial Statements

For the year ended December 31, 2017

2 Basis of preparation and accounting policies - cont'd

(g) Revenue recognition

Revenue is recognised when the services demanded are rendered. Revenue is measured at the fair value of the consideration received or receivable and it is reduced for estimated customer returns, rebates and other similar allowances.

Sale of Guyana Shop Supplies (supermarket items)

Revenue from the sale of supermarket items is recognised when all the following conditions are satisfied:

- (i) The Guyana Shop has transferred to the buyer the significant risks and rewards of ownership of the items sold.
- (ii) The Guyana Shop retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the items sold.
- (iii) The amount of revenue can be measured reliably.
- (iv) It is probable that the economic benefits associated with the transaction will flow to the entity.
- (v) The cost incurred or to be incurred in respect of the transaction can be measured reliably.
- (vi) The cost incurred or to be incurred in respect of the transaction can be measured reliably.

(h) Taxation

The Corporation is exempt from corporation and property taxes.

(i) Inventory

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first-in, first-out (FIFO) method.

(j) Receivables

Receivables are obligations on the basis of normal credit terms and do not bear interest. At the end of each reporting period, the carrying amounts of receivables and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of comprehensive income.

Receivables denominated in a foreign currency are translated into Guyana dollars using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

(k) Trade payables

Most purchases are made on the basis of normal credit terms, and they do not bear interest. Where credit is extended beyond normal credit terms, payables are measured at amortised cost using the effective interest method.

Guyana Marketing Corporation

Notes to the Financial Statements

For the year ended December 31, 2017

2 Basis of preparation and accounting policies - cont'd

(l) Deferred Income

This represents fertilizer subvention and grants from various agencies. This balance is written off to income when utilised.

(m) Government Grants

Government grants received to compensate the Corporation's cost are recognised in the statement of income in the period in which these costs are incurred.

3 Board of Directors / Key Management Personnel

The Board of Directors and their remuneration for the year ended 31 December 2017 were as follows:

<u>Name</u>	<u>GS</u> <u>2017</u>	<u>GS</u> <u>2016</u>
V. De Silva	70,000	49,000
D. Doodnauth	118,000	89,000
B. Sears	118,000	81,000
R. Jagarnauth	118,000	89,000
M. Johnson	-	147,000
M. Wilson	118,000	81,000
A. Yin Choo	46,000	-
C. Sauers	28,000	-
D. Fernandes	118,000	-
N. Edwards-Lee	118,000	-
O. Chandan	201,000	-
	<u>1,053,000</u>	<u>536,000</u>

There were five (5) key management personnel employed by the Guyana Marketing Corporation for the year ended 31 December 2017 with remuneration totalling \$18,737,853 as follows.

<u>Name</u>	<u>Designation</u>	<u>GS</u> <u>2017</u>	<u>GS</u> <u>2016</u>
General Manager		6,123,633	
Packaging Facilities Manager		4,449,062	
Marketing Manager		3,267,018	
Guyana Shop Manager		2,370,236	
Accountant		2,527,904	
		<u>18,737,853</u>	

Guyana Marketing Corporation

Notes to the Financial Statements

For the year ended December 31, 2017

4 Property, Plant and Equipment

	Freehold land and buildings		Machinery and equipment		Furniture and fittings		Motor vehicles		Software		Total
	G\$	G\$	G\$	G\$	G\$	G\$	G\$	G\$	G\$	G\$	
(a) Cost											
At 1 January 2017	61,850,018	114,983,479	19,852,954	55,628,260	-	252,314,711					
Additions	11,212,622	16,278,061	826,582	-	3,225,078	31,542,343					
Disposal	-	3,204,872	899,334	-	-	4,104,206					
At 31 December 2017	73,062,640	128,056,668	19,780,202	55,628,260	3,225,078	279,752,848					
Depreciation											
At 1 January 2017	6,097,424	63,661,045	15,056,930	51,409,074	-	136,224,472					
Charge for the year	1,284,510	11,368,886	1,427,722	3,262,500	32,918	17,376,536					
Disposal	-	2,682,542	897,956	-	-	3,580,498					
At 31 December 2017	7,381,934	72,347,389	15,586,696	54,671,574	32,918	150,020,510					
Net book values:											
At 31 December 2017	65,680,706	55,709,279	4,193,506	956,687	3,192,160	129,732,338					
At 1 January 2017	55,752,594	51,322,434	4,796,024	4,219,187	-	116,090,239					

Guyana Marketing Corporation
Notes to the Financial Statements
For the year ended December 31, 2017

5 Cash & cash equivalents

	<u>GS</u> <u>2017</u>	<u>GS</u> <u>2016</u>
Subvention Current Account	50,469,833.60	38,230,936
Marketing Current Account	20,874,126.60	18,932,623
Packaging Facilities Current Account	14,476,599.00	11,845,167
Pension fund - Optimizer Account	9,752,534.00	-
Scotia Bank Fertiliser Savings Account	4,682,345.00	4,331,819
Packaging Center - Savings Account	91,418,894.00	-
Cash at bank	<u>191,674,332</u>	<u>73,340,545</u>
Cash on hand	-	-
Total cash and cash equivalent	<u><u>191,674,332</u></u>	<u><u>73,340,545</u></u>

The interest rates on fixed deposit and short term deposit accounts are at varying rates from 2% to 4.5% (2016 - 4.5%)

Investment

Investment	<u>-</u>	<u>91,020,466</u>
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Packaging Center - Savings Account represents monies allocated to construct a packaging center. This amount was previously classified as investment.

6 Receivables and prepayments

	<u>GS</u> <u>2017</u>	<u>GS</u> <u>2016</u>
Trade receivables	1,197,015	1,257,499
Other receivables	15,000	220,000
Guyana Sugar Corporation	86,994,711	86,994,711
Total	<u><u>88,206,726</u></u>	<u><u>88,472,210</u></u>

7 Inventory

Finished goods	<u>3,752,445</u>	<u>3,583,002</u>
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8 Payables and accruals

Payables	3,066,432	1,535,854
Pension payable	9,752,534	-
Accruals	10,920,301	-
Total	<u><u>23,739,267</u></u>	<u><u>1,535,854</u></u>

Guyana Marketing Corporation
Notes to the Financial Statements
For the year ended December 31, 2017

9 Deferred income	GS 2017	GS 2016
Balance as at 1 January	103,563,264	106,291,309
Received during the year	-	-
Expended during the year	(2,786,414)	(2,728,045)
Balance as at 31 December	100,776,850	103,563,264

The balance represents unutilised funds from the following grants: ALBA Funds, El Nino Funds, Buxton Project, North and South Pakaraima Project and Land Utilisation Project.

10 Cost of sales		
Opening inventory	3,583,002	4,867,468
Purchases	45,161,259	34,788,684
	48,744,261	39,656,152
Closing inventory	(3,752,445)	(3,583,002)
Cost of sales	44,991,816	36,073,150

11 Income		
Guyana Shop	46,778,952	42,100,977
Other customers	5,985,647	-
Total other income	52,764,599	42,100,977

Income represents goods sold to customers

Guyana Marketing Corporation

Notes to the Financial Statements

For the year ended December 31, 2017

12 Government subvention

The expenditure of the Guyana Marketing Corporation shall, in accordance with article 222A(a) of the constitution, be financed as a direct charge on the Consolidated Fund, determined as a lump sum by way of an annual subvention approved by the National Assembly after review and approval of the Ministry of Agriculture's budget as a part of the process of the determination of the National Budget.

<u>Particulars</u>	<u>GS</u> <u>2017</u>	<u>GS</u> <u>2016</u>
Current subvention	152,075,088	139,824,249
Capital subvention	16,200,000	5,000,000
ASDU - Generator	1,600,000	1,600,000
El Nino	-	194,800
Caribbean Week of Agriculture	168,500	633,245
North and South Pakaraima Project	1,017,914	300,000
Total government subvention	171,061,502	147,552,294

13 Other income

Pack House Services	6,206,679	5,417,200
Rental of Building	-	-
Miscellaneous/Other Income	1,431,600	216,327
Cash Overage	70,929	16,023
Brokerage Service	948,400	901,200
Income from sale of Tender	89,000	16,500
Bank Interest Received	868,195	749,675
Stale dated cheques written back	63,353	42,235
Total other income	9,678,156	7,359,160

14 Selling and distribution expenses

Advertising	2,966,266	1,398,908
Spoilage	205,006	203,251
Packaging Expenses	80,000	164,000
Total	3,251,272	1,766,159

Guyana Marketing Corporation

Notes to the Financial Statements

For the year ended December 31, 2017

	GS 2017	GS 2016
15 Administrative expenses		
Audit Fees	3,452,518	-
Cleaning & Sanitation	1,142,803	1,539,947
Christmas celebration	116,121	707,882
Travelling subsistence - Crop Reporters	1,351,409	1,661,156
Computer expenses	715,153	302,305
Customs duties	188,346	28,815
Depreciation	17,376,536	17,009,128
Donations	581,562	970,000
Electricity	8,282,692	7,560,624
El Nino expense	-	194,800
Employment cost	80,436,728	76,887,816
Caribbean Week of Agriculture	168,500	633,245
North & South Pakaraima Expenses	1,017,914	300,000
Loss on Disposal	523,710	40,951
General expenses	1,704,223	2,361,685
General consultancy & IT Technical Support	2,181,500	3,483,055
Hotel accommodation	553,636	1,307,044
Land Utilisation Project	-	-
Insurance	1,359,657	1,393,033
Meals & Entertainment	2,723,897	1,649,892
Legal Fees	75,100	58,000
Promotional Expenses	1,268,420	1,695,704
Directors Fees	1,053,000	536,000
Rates & Taxes	749,164	903,273
Rental	3,000,000	3,000,000
Repairs & Maintenance	5,586,420	3,827,894
Security	11,292,102	9,105,111
Stationery & Printing	2,340,133	1,661,436
Subscription	428,580	384,720
Sundry	524,910	559,227
Telephone	1,408,511	1,518,540
Training	542,126	458,320
Transportation & Travel	2,516,623	2,147,663
Fuel and Lubricant	4,245,459	3,504,902
Bad Debt	29,919	130,000
Lease Expense	119,000	-
Contingency Liabilities Expense	-	-
Compensation Expense	4,084,362	-
Subvention returned to consolidated fund	174,572	-
Total	163,315,306	147,522,168

Guyana Marketing Corporation

Notes to the Financial Statements

For the year ended December 31, 2017

	<u>GS</u> <u>2017</u>	<u>GS</u> <u>2016</u>
16 Financial expenses		
Bank Charges	276,443	159,950
Night Deposit Bags	123,300	104,400
Withholding Tax	103,741	149,935
Total	<u>503,484</u>	<u>414,285</u>