

**AUDITED FINANCIAL STATEMENTS OF THE
GUYANA MARKETING CORPORATION**

**FOR THE YEAR ENDED
31 DECEMBER 2018**

**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 2018

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Audit Office of Guyana

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151/PC:46/2/2021

31 August 2021

Ms. Teshawna Lall
General Manager
Guyana Marketing Corporation
Robb & Alexander Streets
Georgetown.

Dear Ms. Lall,

AUDIT OF THE FINANCIAL STATEMENTS FOR THE
GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2018

Please find attached ten 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,~~

The stamp is circular with a double-line border. The outer ring contains the text "AUDIT OFFICE" at the top and "OF GUYANA" at the bottom, separated by a star on the left. In the center, the name "N. Harcourt" is written in a cursive script, followed by "Nichette Harcourt" in a sans-serif font, and "Audit Manager (ag.) for Auditor General" in a smaller sans-serif font.

N. Harcourt
Nichette Harcourt
Audit Manager (ag.)
for Auditor General



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AG: 88/2021

31 August 2021

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 2018

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 2018, 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 paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Guyana Marketing Corporation as at 31 December 2018 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

Included in the sum of \$92,192,363 representing receivables is a balance of \$86,994,711 due from the Guyana Sugar Corporation Incorporated. 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.



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 2018

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, 2018 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, 2018 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 \$92,192,363. 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

31 August 2021



Guyana Marketing Corporation
Statement of Financial Position
For the year ended December 31, 2018

<u>ASSETS</u>	<u>Notes</u>	<u>GS</u> <u>2018</u>	<u>GS</u> <u>2017</u>
Current assets			
Cash & cash equivalents	5	211,812,106	191,674,332
Accounts receivable	6	92,192,363	88,206,726
Inventory	7	4,721,916	3,752,445
Total current assets		308,726,385	283,633,504
Non-current asset			
Property, Plant & Equipment	4	140,817,443	129,732,338
<u>TOTAL ASSETS</u>		<u>449,543,828</u>	<u>413,365,842</u>
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Accounts payable	8	20,331,452	23,739,267
Total current liabilities		20,331,452	23,739,267
Non-current liabilities			
Deferred income	9	98,086,254	100,776,850
Total current liabilities		98,086,254	100,776,850
Equity			
Government contribution		25,102,348	25,102,348
Retained earnings		306,023,774	263,747,376
Total equity		331,126,122	288,849,725
<u>TOTAL LIABILITIES AND EQUITY</u>		<u>449,543,828</u>	<u>413,365,842</u>

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 24/08/2021

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 Chairman

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 Director

Guyana Marketing Corporation
Statement of Comprehensive Income
For the year ended December 31, 2018

<u>Income</u>	<u>Notes</u>	<u>GS</u> <u>2018</u>	<u>GS</u> <u>2017</u>
Sales	11	64,294,832	52,764,599
Cost of sales	10	(53,250,823)	(44,991,816)
Gross profit		11,044,009	7,772,783
Other income	13	12,649,385	9,678,156
Government Grants	12	193,224,673	171,061,502
		<u>216,918,067</u>	<u>188,512,441</u>
Expenses			
Selling and distribution expenses	14	2,437,899	3,251,272
Administrative expenses	15	171,602,896	163,315,306
Financial expenses	16	573,907	503,484
Total expenses		<u>174,614,703</u>	<u>167,070,062</u>
Net profit before taxation		42,303,365	21,442,380
Taxation		-	-
Net profit after taxation		<u><u>42,303,365</u></u>	<u><u>21,442,380</u></u>

Guyana Marketing Corporation
Statement of Changes in Equity
For the year ended December 31, 2018

	Government of Guyana G\$	Retained earnings G\$	Total G\$
Balance as at December 31, 2016	<u>25,102,348</u>	<u>242,304,997</u>	<u>267,407,345</u>
Net profit for the year after tax	<u>-</u>	<u>21,442,379</u>	<u>21,442,379</u>
Balance as at December 31, 2017	25,102,348	263,747,376	288,849,725
Prior year adjustment	-	(26,967)	(26,967)
Net profit for the year after tax	-	42,303,365	42,303,365
Balance as at December 31, 2018	<u>25,102,348</u>	<u>306,023,774</u>	<u>331,126,122</u>

Guyana Marketing Corporation
Statement of Cash Flows
For the year ended December 31, 2018

	<u>G\$</u> <u>2018</u>	<u>G\$</u> <u>2017</u>
Cash flows from operating activities		
Net surplus/(deficit)	42,303,365	21,442,380
Adjustments for		
Stale dated cheques rewritten	-	-
(Gain)/loss on disposal of assets	66,338	523,708
Depreciation	16,874,938	17,376,536
Operating profit/loss before working capital changes	<u>59,244,641</u>	<u>39,342,624</u>
(Increase)/decrease in receivables	(3,985,637)	265,484
(Increase) in inventory	(969,471)	(169,443)
Increase/(decrease) accounts payable	(3,407,815)	22,203,413
Increase/(decrease) deferred income	(2,690,596)	(2,786,414)
Cash generated from operations	<u>48,191,122</u>	<u>58,855,664</u>
Net cash from operating activities	<u>48,191,122</u>	<u>58,855,664</u>
Investing activities		
Packaging center	-	-
Acquisition of property, plant & equipment	(28,053,348)	(31,542,343)
Net cash from investing activities	<u>(28,053,348)</u>	<u>(31,542,343)</u>
Financing activities		
Government contribution	-	-
Net cash flow from financing activities	<u>-</u>	<u>-</u>
Net increase/decrease in cash and cash equivalents	<u>20,137,774</u>	<u>27,313,321</u>
Cash and cash equivalents at the beginning of the year	191,674,333	164,361,011
Cash and cash equivalents at the end of the year	<u><u>211,812,107</u></u>	<u><u>191,674,332</u></u>
An analysis of cash and cash equivalents as at December 31,		
Cash at bank	211,812,106	191,674,332
Cash on hand	-	-
Total	<u><u>211,812,106</u></u>	<u><u>191,674,332</u></u>

Guyana Marketing Corporation

Notes to the Financial Statements

For the year ended December 31, 2018

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, 2018

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 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, 2018

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, 2018

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

The Board of Directors and their remuneration for the year ended 31 December 2018 were as follows:

<u>Name</u>	<u>GS</u> <u>2018</u>	<u>GS</u> <u>2017</u>
V. De Silva	90,000	70,000
D. Doodnauth	154,000	118,000
B. Sears	154,000	118,000
R. Jagarnauth	154,000	118,000
M. Johnson	-	-
M. Wilson	8,000	118,000
A. Yin Choo	18,000	46,000
C. Sauers	-	28,000
D. Fernandes	154,000	118,000
N. Edwards-Lee	154,000	118,000
O. Chandan	219,000	201,000
D.Nedd	64,000	-
G.Jervis	10,000	-
R.Alli	108,000	-
S.Naughton	54,000	-
	<u>1,341,000</u>	<u>1,053,000</u>

Guyana Marketing Corporation

Notes to the Financial Statements

For the year ended December 31, 2018

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\$	G\$	G\$
(a) Cost												
At 1 January 2018	73,062,640	128,143,668	19,693,202	55,628,260	3,225,078	279,752,848						
Additions	19,404,368	7,279,074	1,369,906	-	-	28,053,348						
Disposal	-	940,112	163,608	11,651,920	-	12,755,640						
At 31 December 2018	92,467,008	134,482,630	20,899,500	43,976,340	3,225,078	295,050,556						
Depreciation												
At 1 January 2018	7,381,934	72,347,389	15,586,695	54,671,575	32,918	150,020,512						
Charge for the year	1,392,092	12,772,033	1,296,420	1,091,885	322,508	16,874,938						
Prior year adjustment	-	-	-	135,200	-	135,200						
Disposal	-	862,025	148,392	11,651,920	-	12,662,337						
At 31 December 2018	8,774,026	84,257,396	16,734,724	43,976,340	355,426	154,233,113						
Net book values:												
At 31 December 2018	83,692,982	50,225,234	4,164,776	-	2,869,652	140,817,443						
At 1 January 2018	65,680,706	55,796,279	4,106,507	956,685	3,192,160	129,732,338						

Guyana Marketing Corporation
Notes to the Financial Statements
For the year ended December 31, 2018

5 Cash & cash equivalents

	G\$ 2018	G\$ 2017
Subvention Current Account	60,416,150	50,469,834
Marketing Current Account	27,338,751	20,874,127
Packaging Facilities Current Account	12,744,537	14,476,599
Pension fund - Optimizer Account	12,460,178	9,752,534
Scotia Bank Fertiliser Savings Account	-	4,682,345
Packaging Center - Savings Account	96,509,111	91,418,894
Capital Projects Account	2,343,380	-
Cash at bank	<u>211,812,106</u>	<u>191,674,332</u>
Cash on hand	-	-
Total cash and cash equivalent	<u><u>211,812,106</u></u>	<u><u>191,674,332</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 represents monies allocated to construct a packaging center.

6 Accounts Receivable

	G\$ 2018	G\$ 2017
Receivables	5,147,652	1,197,015
Other receivables	50,000	15,000
Guyana Sugar Corporation	86,994,711	86,994,711
Total	<u><u>92,192,363</u></u>	<u><u>88,206,726</u></u>

7 Inventory

Finished goods	<u><u>4,721,916</u></u>	<u><u>3,752,445</u></u>
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8 Accounts Payable

Payables	178,533	3,066,432
Pension payable	12,460,178	9,752,534
Accruals	7,692,740	10,920,301
Total	<u><u>20,331,452</u></u>	<u><u>23,739,267</u></u>

Guyana Marketing Corporation
Notes to the Financial Statements
For the year ended December 31, 2018

9 Deferred income	GS	GS
	2018	2017
Balance as at 1 January	<u>100,776,850</u>	<u>103,563,264</u>
Received during the year	-	-
Expended during the year	<u>(2,690,596)</u>	<u>(2,786,414)</u>
Balance as at 31 December	<u>98,086,254</u>	<u>100,776,850</u>

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	3,752,445	3,583,002
Purchases	<u>54,220,294</u>	<u>45,161,259</u>
	57,972,739	48,744,261
Closing inventory	<u>(4,721,916)</u>	<u>(3,752,445)</u>
Cost of sales	<u>53,250,823</u>	<u>44,991,816</u>

11 Income		
Guyana Shop	53,091,081	46,778,952
Other customers	<u>11,203,751</u>	<u>5,985,647</u>
Total other income	<u>64,294,832</u>	<u>52,764,599</u>

Income represents goods sold to customers

Guyana Marketing Corporation

Notes to the Financial Statements

For the year ended December 31, 2018

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>2018</u>	<u>GS</u> <u>2017</u>
Current subvention	163,804,077	152,075,088
Capital subvention	26,730,000	16,200,000
ASDU - Generator	1,600,000	1,600,000
El Nino	-	-
Caribbean Week of Agriculture	1,090,596	168,500
North and South Pakaraima Project	-	1,017,914
Total government subvention	193,224,673	171,061,502

13 Other income

Pack House Services	8,369,474	6,206,679
Disposal of Assets (Gain)	822,697	-
Miscellaneous/Other Income	1,352,475	1,431,600
Cash Overage	19,248	70,929
Brokerage Service	1,016,300	948,400
Income from sale of Tender	99,000	89,000
Bank Interest Received	526,340	868,195
Stale dated cheques written back	443,852	63,353
Total other income	12,649,385	9,678,156

14 Selling and distribution expenses

Advertising	2,236,331	2,966,266
Spoilage	129,748	205,006
Packaging Expenses	71,820	80,000
Total	2,437,899	3,251,272

Guyana Marketing Corporation
Notes to the Financial Statements
For the year ended December 31, 2018

	G\$ 2018	G\$ 2017
15 Administrative expenses		
Audit Fees	3,624,156	3,452,518
Cleaning & Sanitation	1,771,075	1,142,803
Christmas celebration	146,181	116,121
Travelling subsis- Crop Reporters	1,257,439	1,351,409
Computer expenses	-	715,153
Customs duties	168,245	188,346
Depreciation	16,874,938	17,376,536
Donations	302,076	581,562
Electricity	10,088,941	8,282,692
Employment cost	89,778,120	80,436,728
Caribbean Week of Agriculture	1,090,596	168,500
North & South Pakarima Expenses	-	1,017,914
Loss on Disposal	-	523,710
General expenses	3,772,854	1,704,223
General consultancy & IT Technical Support	1,695,520	2,181,500
Hotel accomodation	698,728	553,636
Insurance	1,339,832	1,359,657
Meals & Entertainment	3,243,172	2,723,897
Legal Fees	74,100	75,100
Promotional Expenses	3,578,315	1,268,420
Directors Fees	1,341,000	1,053,000
Rates & Taxes	465,983	749,164
Rental	3,000,000	3,000,000
Repairs & Maintenance	3,338,905	5,586,420
Security	9,240,879	11,292,102
Stationery & Printing	2,592,431	2,340,133
Subscription	607,195	428,580
Sundry	849,885	524,910
Telephone	1,731,987	1,408,511
Training	350,862	542,126
Transportation & Travel	3,616,396	2,516,623
Fuel and Lubricant	4,703,583	4,245,459
Bad Debt	124,502	29,919
Lease Expense	135,000	119,000
Compensation Expense	-	4,084,362
Subvention returned to consolidated fund	-	174,572
Total	171,602,896	163,315,306

Guyana Marketing Corporation
Notes to the Financial Statements
For the year ended December 31, 2018

	<u>G\$</u> <u>2018</u>	<u>G\$</u> <u>2017</u>
16 Financial expenses		
Bank Charges	347,119	276,443
Night Deposit Bags	123,120	123,300
Withholding Tax	103,668	103,741
Total	<u>573,907</u>	<u>503,484</u>