

# 32<sup>nd</sup> ANNUAL REPORT



Re-equipping for the future



# **2013 ANNUAL REPORT**

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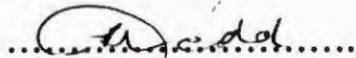
## GUYANA NATIONAL PRINTERS LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of Guyana National Printers Limited will be held 12th September, 2014 at 10:00 Hours in the Company's Boardroom, Lot 1 Public Road, La Penitence Georgetown for the following purposes:-

1. To receive and consider the Company's Accounts for the year 2013 December 31, and the report of the directors and Auditors thereon.
2. To approve dividends in respect of the year ended 2013 December 31, as recommended by the directors.
3. To transact any other business of an Annual General Meeting.

BY ORDER OF THE BOARD



**Marlyn Nedd (Mrs)**  
**Company Secretary**

## **IT'S MISSION IS TO:**

**Consistently deliver the finest quality commercial packaging and printing with exceptional value on time, every time, and to meet or exceed our customers expectations in order to enhance their business and make them more successful.**

**Build lasting relationships through service based on Honesty, Reliability, Professionalism and Ethical Business Practices.**

**Add value to our service with our decades of knowledge and experience, making the customers packaging and print buying process effortless and their investment of time minimal.**

**Act as consultants, guiding our customers toward the best print solution and communicate with them effectively to efficiently process their jobs.**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. Cyril Belgrave (Chairman)**

**Mr. Percival Boyce (Jnr)**

**Mr. Dhaneshwar Deonarine**

**Mr. Don Grenardo**

**Mr. Mark Harris**

**Mrs. Marlyn Nedd**

**Ms. Sanchia Persaud**

**Mr. Rajesh Ramgolam**

### BANKERS

**Republic Bank Inc.**

**New Building Society**

### AUDITORS

Guyana National Printers Limited which is a wholly state-owned company is required to have its financial statements audited by the Audit Office of Guyana.

### MAIN OFFICE

**1 Public Road La Penitence**

## BOARD OF DIRECTORS



*Mr Percival Boyce*



*Mrs Marilyn Nedd*



*Mr Mark Harris*



*Mr Rajesh Ramgolam*



*Mr Cyril Belgrave  
(Chairman)*



*Mr Don Grenardo*



*Mr Dhaneshvar Deonarine*



*Ms Sanchia Persaud*

## SENIOR MANAGEMENT TEAM



**Marlyn Nedd**  
GENERAL MANAGER



**Elvis Porte**  
PRODUCTION MANAGER



**David Collins**  
SALES & MARKETING  
MANAGER



**Shawn Victorine**  
FINANCE MANAGER



## REPORT OF THE DIRECTORS

### *Incorporation and Nature of Business*

Guyana National Printers Limited is a state owned company which was incorporated on 1976 May 21 and continued on 1997 May 21.

Guyana National Printers Limited is involved in the business of printing and packaging. It has no subsidiaries. Any debts of the company are duly documented in the notes of the financial statements.

## GUYANA NATIONAL PRINTERS LIMITED

### *FIRST TIME ADOPTION OF IAS 19*

The company adopted IAS19 Employee benefit for the first time in the preparation and presentation of its Financial Statement for 2013. In this adoption the company was required to follow the rules set out in IAS 8, which states that the first time adoption must be applied retrospectively to prior years affected component. As a result the company had to restate its 2012 Financial Statements; the restatement had the following impact on the various components as follows;

#### Income Statement

ELEMENTS	BEFORE RESTATEMENT	AFTER RESTATEMENT
Cost of Sales	\$230,568,956	\$224,774,956
Administrative Expenses	\$58,145,507	\$70,427,507
Profit/(Loss) after Tax	\$497,823	(\$4,668,669)

#### Statement of Comprehensive Income

ELEMENTS	BEFORE RESTATEMENT	AFTER RESTATEMENT
Urecognised Gains	Nil	\$18,270,000

#### **Statement of Financial Position**

ELEMENTS	BEFORE RESTATEMENT	AFTER RESTATEMENT
Current Liabilities	\$89,693,616	\$140,717,108
Accumulated Earnings	\$84,022,150	\$32,998,658

## Performance

The Company's turnover increased by **\$2.08M** from **\$287.9M** in 2012 to **\$290.0M** in 2013.

A pre-tax profit of **\$7.1M** was recorded in 2013 compared with loss **(\$3.2M)** in 2012. Cost of sales was recorded at **75.5%** of sales in 2013 as against **78.06%** reported in 2012. This small decrease is as a result of the company employing cost saving measures.

The Company's after tax position revealed a profit of **\$3.7M** in 2013 compared with loss of **(\$4.7M)** in 2012.

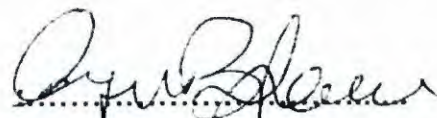
Earnings per share amounted to **\$13.30** in 2013 compared with **(\$16.59)** in 2012.

## Dividends

No dividends were paid in 2013.

## Retained Earnings

The retained earnings amounted to **\$48,641,039** with shareholders equity being **\$229,707,625** at the end of 2013.

  
.....  
Cyril Belgrave  
Chairman (ag)



## *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: 59/2014

06 August 2014

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 2013

Chartered Accountants Maurice Solomon & Co. have audited on my behalf the financial statements of Guyana National Printers Limited for the year ended 31 December 2013, as set out on pages 5 to 35. The audit was conducted in accordance with the Audit Act 2004.

### *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 financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

As required by the Audit Act 2004, I have reviewed the audit plan and procedures, working papers, report and opinion of the Chartered Accountants. I have also had detailed discussions with the Chartered Accountants on all matters of significance to the audit and had carried out additional examinations, as necessary, in arriving at my opinion.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Opinion*

In my opinion, the financial statements give a true and fair view, in all material respects of the financial position of Guyana National Printers Limited as at 31 December 2013, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

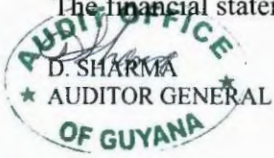
### *Emphasis of Matter*

Without further qualifying my opinion, I wish to emphasize that the financial statements have been prepared using principles applicable to a going concern which contemplate the realization of assets and liquidation of liabilities in the normal course of business. However, as explained in Note 24 to the financial statements the Government of Guyana has taken a decision to privatize the Company. No adjustment to assets or liabilities has been made as a result of this.

I also draw attention to Note 14 to the financial statements which state that the terms and conditions of the loan from the Government of Guyana are yet to be finalised. This loan is stated as a non current, interest free liability in the financial statements of the Company. My opinion is not qualified in respect of this matter.

## *Report on Other Legal and Regulatory Requirements*

The financial statements comply with the requirements of the Companies Act 1991.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA



*Maurice Solomon & Co.*  
Chartered Accountants/Management Consultants



**REPORT OF THE CHARTERED ACCOUNTANTS  
MAURICE SOLOMON & CO.  
TO THE AUDITOR GENERAL  
ON THE FINANCIAL STATEMENTS OF  
GUYANA NATIONAL PRINTERS LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2013**

We have audited the accompanying financial statements of Guyana National Printers Limited which comprised of the statement of financial position as at 31 December, 2013 and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 9 to 35.

**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 financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness

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Email: [mbsol@guyana.net.gy](mailto:mbsol@guyana.net.gy)

of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

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 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

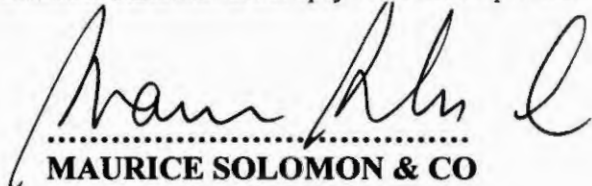
## **Emphasis of Matter**

Without qualifying our opinion, we 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 24 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.

We also draw attention to note 14 to the financial statements which states that the terms and conditions of the loan from the Government of Guyana are yet to be finalised. This loan is stated as a non-current, interest free liability in the financial statements of the company. Our opinion is not qualified in respect of this matter.

## **Report on Other Legal and Regulatory Requirements**

The financial statements comply with the requirements of the Companies Act 1991.



MAURICE SOLOMON & CO

*Chartered Accountants*

30<sup>th</sup> July, 2014



# 2013 ANNUAL REPORT

## GUYANA NATIONAL PRINTERS LIMITED

### STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	<u>Notes</u>	<u>2013</u> G\$	<u>2012</u> G\$ Restated
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	<u>183,358,401</u>	<u>184,851,721</u>
Inventories	9	68,169,220	76,622,565
Trade receivables	10(a)	27,698,680	12,827,328
Other receivables and prepayments	10(b)	7,748,925	16,340,908
Taxes recoverable		4,445,271	4,445,271
External payments deposits	11	100,977	100,977
Cash and Bank	12	<u>55,693,430</u>	<u>59,593,582</u>
		<b><u>163,856,503</u></b>	<b><u>169,930,631</u></b>
<b>TOTAL ASSETS</b>		<b><u>347,214,904</u></b>	<b><u>354,782,352</u></b>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves			
Share capital	13 (a)	2,814,850	2,814,850
Accumulated earnings		48,641,039	32,998,658
Capital reserve	13 (b)	<u>178,251,736</u>	<u>178,251,736</u>
		<b><u>229,707,625</u></b>	<b><u>214,065,244</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowing	14	<u>25,807,272</u>	<u>25,807,272</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	15	12,334,987	28,835,773
Other payables and accruals	16	17,366,336	12,236,772
Advance payments	17	12,143,279	17,584,944
Defined benefit Liability	19 (b)	46,565,000	52,345,000
Taxation		3,290,405	3,905,354
Bank overdraft (unsecured)	18	<u>-</u>	<u>1,993</u>
		<b><u>117,507,279</u></b>	<b><u>140,717,108</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>347,214,904</u></b>	<b><u>354,782,352</u></b>

These financial statements were approved by the Board of Directors on 18 July, 2014

On behalf of the Board:

..... Director

..... Director

The notes on pages 19 - 46 form an integral part of these financial statements

## GUYANA NATIONAL PRINTERS LIMITED

### STATEMENT OF PROFIT OR LOSS

#### AND OTHER COMPREHENSIVE INCOME

#### FOR THE YEAR ENDED 31 DECEMBER 2013

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
		G\$	G\$ Restated
Revenue	3	290,026,903	287,946,276
Cost of Goods Sold	4	<u>(219,094,805)</u>	<u>(224,774,956)</u>
Gross Profit		<b>70,932,098</b>	<b>63,171,320</b>
Other Income	5	<u>12,836,635</u>	<u>4,067,641</u>
Administrative Expenses	6	<u>76,677,522</u>	<u>70,427,507</u>
Profit before Tax		<b>7,091,211</b>	<b>(3,188,546)</b>
Taxation	7	<u>(3,347,830)</u>	<u>1,480,123</u>
Profit / (Loss) for the Year		<u><b>3,743,381</b></u>	<u><b>(4,668,669)</b></u>
<b>Other Comprehensive Income</b>			
<i>Item that will not reclassified subsequently to profit or loss:</i>			
Remeasurement of Provision of Employee Benefits 19 (g)		11,899,000	18,270,000
Total Comprehensive Income		<u><b>15,642,381</b></u>	<u><b>13,601,331</b></u>
Basic Earnings per Share in Dollars	26	<u><b>13.30</b></u>	<u><b>(16.59)</b></u>

The notes on pages 19 - 46 form an integral part of these financial statements

# 2013 ANNUAL REPORT

**GUYANA NATIONAL PRINTERS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Share Capital	Accumulated Earnings	Capital Reserves	<u>Total</u>
<b>Year Ended 31 December 2013</b>				
	<b>G\$</b>	<b>G\$</b>	<b>G\$</b>	<b>G\$</b>
Balance at 1 January 2013	2,814,850	32,998,658	178,251,736	214,065,244
Profit for the Year	-	3,743,381	-	3,743,381
Other Comprehensive Income for the year	-	<u>11,899,000</u>	-	<u>11,899,000</u>
Total Comprehensive Income for the year	-	15,642,381	-	15,642,381
Balance at 31 December 2013	<u>2,814,850</u>	<u>48,641,039</u>	<u>178,251,736</u>	<u>229,707,625</u>
<b>Year Ended 31 December 2012</b>				
Balance at 1 January 2012 (as previously reported)	2,814,850	83,524,327	178,251,736	264,590,913
Change in accounting policy (note 27)	-	(64,127,000)	-	(64,127,000)
Loss for the Year	-	(4,668,669)	-	(4,668,669)
Other Comprehensive Income for the year	-	18,270,000	-	18,270,000
Total Comprehensive Income for the year	-	13,601,331	-	13,601,331
Balance at 31 December 2012 (restated)	<u>2,814,850</u>	<u>32,998,658</u>	<u>178,251,736</u>	<u>214,065,244</u>

The notes on pages 19 - 46 form an integral part of these financial statements

## GUYANA NATIONAL PRINTERS LIMITED

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	G\$	G\$
<b>Operating Activities</b>		<b>Restated</b>
Profit/ (Loss) before Tax	7,091,211	(3,188,546)
<u>Adjustment for:</u>		
Depreciation	18,658,586	15,875,240
Loss on disposal of Fixed Assets	719,009	163,124
Net movements in defined benefit obligation	6,119,000	6,488,000
<b>Operating Profit before Working Capital changes</b>	<b>32,587,806</b>	<b>19,337,818</b>
Decrease/(Increase) in Inventories	8,453,345	(3,994,086)
(Increase) in Receivables	(14,871,352)	(5,976,628)
(Decrease)/Increase in Payables and Accruals	(11,371,222)	17,572,612
Decrease/(Increase) in other Receivables and Prepayment	8,591,983	(2,231,440)
(Decrease) in Advance Payments	(5,441,665)	(26,337,731)
<b>Cash generated from Operations</b>	<b>17,948,895</b>	<b>(1,629,455)</b>
Taxes paid	(3,962,778)	(2,701,380)
<b>Net cash provided by/(used in) Operating Activities</b>	<b>13,986,117</b>	<b>(4,330,835)</b>
<b>Investing Activities</b>		
Purchase of Fixed Assets	(17,884,276)	(38,290,824)
<b>Net Cash used in Investing Activities</b>	<b>(17,884,276)</b>	<b>(38,290,824)</b>
Decrease in Cash and Cash Equivalents	(3,898,159)	(42,621,659)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>59,591,589</b>	<b>102,213,248</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>55,693,430</b>	<b>59,591,589</b>
<b><u>Comprising:</u></b>		
Cash on Hand and at Bank	55,693,430	59,593,582
Bank Overdraft	-	(1,993)
	<b>55,693,430</b>	<b>59,591,589</b>

The notes on pages 19 - 46 form an integral part of these financial statements

**GUYANA NATIONAL PRINTERS LIMITED**  
**NOTES ON THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

## **1. COMPANY IDENTIFICATION**

### **(a) Incorporation and Business Activities**

The Guyana National Printers Limited was formerly known as the Guyana Lithographic Company Limited which was incorporated on May 21, 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.

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 for the revaluation of certain fixed assets and the accounting policies conform with International Financial Reporting Standards.

### **(b) *Standards, amendments and interpretations that are not yet effective in current year and either not relevant or with has no material impact on the company's financial reporting***

IFRS 9 Additions for Financial Liability Accounting (1 January 2015)

IAS 32 Offsetting Financial Assets and Liabilities - Amendments (1 January 2014)

Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities (1 January 2014)

IAS 36 Recoverable Amount Disclosures for Non Financial Assets - Amendments (1 January 2014)

IAS 39 Novation of Derivatives and Continuation of Hedging Accounting- Amendments (1 January 2014)

#### **New Interpretations**

IFRIC 21 - Levies

### **(c) *The standards and amendments that are effective in the current year and has material impact on the Company's financial reporting.***

IAS 1 Amendments to IAS 1 - Statement of Comprehensive Income

IAS 19 Amendments to IAS 19 - Employee Benefits (1 January 2013)

**GUYANA NATIONAL PRINTERS LIMITED**  
**NOTES ON THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

## **2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

- (d) *The standards and amendments that are effective in the current year and expected to have to no material impact on the Company's financial reporting.*

IFRS 7 Transactions involving transfer of financial assets

IAS 12 -Amendments - Measurement of deferred tax assets and liabilities for tax consequences

IFRS 9 Financial Instruments: Classification and Measurement -

IFRS 10 Consolidated Financial Statements (1 January 2013)

IFRS 11 Joint Arrangements (1 January 2013)

IFRS 12 Disclosures of Interest in Other Entities (1 January 2013)

IFRS 13 Guidance for fair value measurements and disclosures about fair value measurements

IAS 27 Separate Financial statements (1 January 2013)

IAS 28 Investments in Associates and Joint Ventures (1 January 2013)

### **Interpretations**

IFRIC 20 Stripping Cost in the Production Phase of a surface mine (1 January 2013)

### **(e) Foreign Currency Transaction**

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 recognized in the Statement of Comprehensive

### **(f) 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 of 3 months or less.

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2013

## 2. SIGNIFICANT ACCOUNTING POLICIES Cont'd

### (g) Revenue Recognition

Revenue and expense are recognised on an accrual basis.

### (h) Non-Current assets and Depreciation

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

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

Buildings	-	2%
Plant, machinery and equipment-		10-12 %
Motor vehicles	-	25%

### (i) Inventories

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

**GUYANA NATIONAL PRINTERS LIMITED**  
**NOTES ON THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

## **2. SIGNIFICANT ACCOUNTING POLICIES Cont'd**

### **(j) Taxation**

Provision for deferred corporation tax is computed using the liability method, for all temporary differences arising between the tax bases of the assets and liabilities and their carry values for financial reporting purposes. The current enacted tax rate is used to determine deferred income tax.

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

Deferred tax assets not taken up due to uncertainties with respect to recoverability was approximately G\$10,275,054 (2012 - G\$9,827,447)

### **(k) Capital Reserve**

Surplus on revaluation of non-current assets is credited to this account. This reserve is not distributable.



## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 G\$	2012 G\$ Restated
<b>3. Revenue</b>		
Government	266,076,632	263,183,099
Private	23,606,991	24,397,722
Others	343,280	365,455
	<u>290,026,903</u>	<u>287,946,276</u>
<b>4. Cost of goods sold</b>		
Opening Work in progress	23,607,447	16,316,294
Materials used	85,681,642	120,962,923
Overheads	84,236,669	70,147,204
Direct Labour	31,391,505	28,836,188
Closing Work in Progress	(15,502,163)	(23,607,447)
Finished goods consumed	9,679,705	12,119,794
	<u>219,094,805</u>	<u>224,774,956</u>
<b>5. Other Income</b>		
Interest income	595,991	835,871
Others	2,777,608	2,724,783
Reduction in provision	-	1,064,255
Exchange loss	-	(557,268)
Rental Income	9,463,036	-
	<u>12,836,635</u>	<u>4,067,641</u>
<b>6. Administrative Expenses</b>		
<b>Employment Costs:</b>		
Salaries and wages	34,270,078	32,025,765
Pensions	1,104,858	1,047,021
Pension costs (note 19 (f) )	12,297,000	12,282,000
Other staff costs	6,777,903	6,004,175
	<u>54,449,839</u>	<u>51,358,961</u>
<b>Other Costs:</b>	14,700,966	12,672,305
Depreciation (a)	4,220,932	3,912,698
Auditor's remuneration	2,130,785	1,679,200
Actuary Fee	500,000	-
Directors' emoluments (note 23 (iii) )	675,000	478,334
Bad debts	-	326,009
	<u>76,677,522</u>	<u>70,427,507</u>

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2013

6. Administrative Expenses (cont'd)	2013	2012
	G\$	G\$
(a) Depreciation Charges		Restated
Administration	4,220,932	3,912,698
Overhead	14,437,654	11,962,542
	<u>18,658,586</u>	<u>15,875,240</u>
7. Taxation		
<b><u>Reconciliation of Tax Expenses and Accounting Profit/(Loss)</u></b>		
Accounting Profit/ (Loss)	<u>7,091,211</u>	<u>(3,188,546)</u>
Corporation Tax at 30%	2,127,363	-
<b><u>Add:</u></b>		
Tax effect of expenses not deductible in determining taxable profit		
Depreciation for accounting purposes	<u>5,597,576</u>	<u>4,762,572</u>
	<b>7,724,939</b>	<b>4,762,572</b>
<b><u>Deduct:</u></b>		
Tax effect of depreciation for tax purposes		
Other	<u>3,932,154</u>	<u>3,643,807</u>
	<u>178,797</u>	<u>250,761</u>
	<b>3,613,988</b>	<b>868,004</b>
Loss Relief	<u>(1,806,994)</u>	-
Corporation Tax	<b>1,806,994</b>	-
Property Tax	<u>1,540,836</u>	<u>1,480,123</u>
	<u>3,347,830</u>	<u>1,480,123</u>
Current Tax	<u>3,347,830</u>	<u>1,480,123</u>

**GUYANA NATIONAL PRINTERS LIMITED**  
**NOTES ON THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**8. Property, Plant & Equipment**

	<b>Land and Building</b>		<b>Plant, Machinery and Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>Freehold G\$</b>	<b>Leasehold G\$</b>	<b>G\$</b>	<b>G\$</b>	<b>G\$</b>
<b><u>Cost/Valuation</u></b>					
At 1 January 2013	120,999,043	957	141,245,834	7,426,865	269,672,699
Additions	6,494,235	-	11,390,041	-	17,884,276
Disposal	-	-	(1,828,438)	-	(1,828,438)
At 31 December 2013	<b><u>127,493,278</u></b>	<b><u>957</u></b>	<b><u>150,807,437</u></b>	<b><u>7,426,865</u></b>	<b><u>285,728,537</u></b>
<b>Comprising:</b>					
Cost	15,304,191	957	130,579,441	7,426,865	153,311,454
Valuation	112,189,087	-	20,227,997	-	132,417,084
	<b><u>127,493,278</u></b>	<b><u>957</u></b>	<b><u>150,807,438</u></b>	<b><u>7,426,865</u></b>	<b><u>285,728,538</u></b>
<b><u>Depreciation</u></b>					
At 1 January 2013	9,635,999	-	68,220,615	6,964,365	84,820,979
Charge for the year	2,420,000	-	15,776,086	462,500	18,658,586
Write back on Disposal	-	-	(1,109,429)	-	(1,109,429)
At 31 December 2013	<b><u>12,055,999</u></b>	<b><u>-</u></b>	<b><u>82,887,272</u></b>	<b><u>7,426,865</u></b>	<b><u>102,370,136</u></b>
<b><u>Net Book Values</u></b>					
At 31 December 2013	<b><u>115,437,279</u></b>	<b><u>957</u></b>	<b><u>67,920,165</u></b>	<b><u>-</u></b>	<b><u>183,358,401</u></b>
At 31 December 2012	<b><u>111,363,044</u></b>	<b><u>957</u></b>	<b><u>73,025,219</u></b>	<b><u>462,500</u></b>	<b><u>184,851,721</u></b>

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 8. Property, Plant & Equipment (cont'd)

- (a) 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\$ 50,941,317  
(2012- G\$ 52,018,479)

9. Inventories	2013 G\$	2012 G\$
Raw materials	32,775,906	32,162,046
Finished goods	14,205,565	15,507,829
Work-in-progress	15,502,163	23,607,447
Spares	5,685,586	5,345,243
	<b>68,169,220</b>	<b>76,622,565</b>

The costs of inventory recognised as expense during the period with respect to the operations were G\$102,887,505 (2012: G\$ 124,629,169). Cost of sales includes labour cost and depreciation charges. The company has written off amount of G\$ 234,237 as obsolete stock during the year (2012: G\$ 1,467,477). Inventories of G\$ 68,169,220 (2012: G\$76,622,565) are expected to be recovered within twelve months.

#### 10. (a) Trade Receivables

Trade receivables	29,466,649	13,631,158
Less: Provision for impairment collectively assessed (i)	(1,767,969)	(803,830)
	<b>27,698,680</b>	<b>12,827,328</b>
 (i) As at 1 January	 803,830	 1,868,084
Provision Adjustment for the year	964,139	(1,064,254)
At 31 December	<b>1,767,969</b>	<b>803,830</b>
 (b) Other receivables and prepayments		
Other Receivables	2,713,137	3,643,925
Prepayments/Advances	5,035,788	12,696,983
	<b>7,748,925</b>	<b>16,340,908</b>

**GUYANA NATIONAL PRINTERS LIMITED**  
**NOTES ON THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 G\$	2012 G\$
<b>11. External Payments Deposits</b>	<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.

**12. Cash and Bank**

Cash at Bank	55,548,430	59,448,582
Cash in Hand	<u>145,000</u>	<u>145,000</u>
	<u>55,693,430</u>	<u>59,593,582</u>

**13. Share Capital**

**(a) Authorised**

Number of ordinary shares	<u>300,000</u>	<u>300,000</u>
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*Issued and fully paid*

281,485 ordinary shares	<u>G\$ 2,814,850</u>	<u>G\$ 2,814,850</u>
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These shares are of G\$10 par value and have equal voting rights and rights to dividend

**(b) Capital Reserve**

At 1 January and at 31 December 2013	<u>178,251,736</u>	<u>178,251,736</u>
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**14. Borrowing**

Ministry of Finance	<u>25,807,272</u>	<u>25,807,272</u>
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This represents monies borrowed from the Government of Guyana for which the terms and conditions are yet to be finalised.

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 G\$	2012 G\$
<b>15. Trade Payables</b>		
Foreign	<u>12,334,987</u>	<u>28,835,773</u>
<b>16. Other Payables and Accruals</b>		
Other Payables and Accruals	<u>17,366,336</u>	<u>12,236,772</u>
<b>17. Advance Payments</b>		
Local	<u>12,143,279</u>	<u>17,584,944</u>

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

**18. Bank Overdraft**

Republic Bank Limited - Salary account	<u>-</u>	<u>1,993</u>
Interest rate	<u>-</u>	<u>18.25</u>

This was an unsecured overdraft held at Republic Bank (Guyana) Limited

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 19. 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. and is 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.

An actuarial valuation was carried out in the year 2013 by Bacon Woodrow and de Souza Limited and actuarial report was submitted to management. In this report, the actuary measured the plan assets, the present value of the defined benefit obligation and related service costs as at 31 December 2013 and 2012 respectively, using the Projected Unit Credit Method.

##### (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 :

	2013 G\$	2012 G\$ Restated
Present value of funded defined benefit obligation	330,377,000	309,101,000
Fair value of plan assets	(283,812,000)	(256,756,000)
Net liability arising from defined benefit obligation	<u>46,565,000</u>	<u>52,345,000</u>

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 19. Defined Benefit Liability (cont'd)

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

	2013 G\$	2012 G\$ Restated
Defined benefit obligation at start of year	309,101,000	298,421,000
Current service cost	9,891,000	9,274,000
Interest cost	15,176,000	14,607,000
Members' contributions	2,375,000	2,227,000
Experience adjustments	5,136,000	(2,703,000)
Benefits paid	(11,302,000)	(12,725,000)
	<u>330,377,000</u>	<u>309,101,000</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	256,756,000	234,294,000
Interest income	12,770,000	11,599,000
Return on plan assets (excluding interest income)	17,035,000	15,567,000
Company contributions	6,178,000	5,794,000
Members' contributions	2,375,000	2,227,000
Benefits paid	(11,302,000)	(12,725,000)
<b>Fair value of plan assets at end of year</b>	<u>283,812,000</u>	<u>256,756,000</u>
Actual return on plan assets	29.81	27.17

##### (e) *Asset Allocation*

Cash and cash equivalents	78,251,000	58,929,000
Local and regional listed equities	14,614,000	18,390,000
Overseas equities	39,301,000	42,709,000
Regional bonds	11,341,000	7,209,000
Overseas Bonds	121,464,000	113,926,000
Property	18,841,000	15,593,000
<b>Fair value of plan assets at end of year</b>	<u>283,812,000</u>	<u>256,756,000</u>



## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

#### 19. Defined Benefit Liability (cont'd)

##### (f) Expense recognised in Statement of profit or loss

	2013 G\$	2012 G\$ Restated
Current service cost	9,891,000	9,274,000
Net interest on net defined liability/ (asset)	2,406,000	3,008,000
Past service cost	-	-
<b>Net pension cost</b>	<u><u>12,297,000</u></u>	<u><u>12,282,000</u></u>

##### (g) Re-measurements recognised in Other Comprehensive Income :

Experience (gains)/losses	11,899,000	18,270,000
Effect of asset ceiling	-	-
<b>Total amount recognised in Other Comprehensive Income</b>	<u><u>11,899,000</u></u>	<u><u>18,270,000</u></u>

##### (h) Reconciliation of Opening and closing statement of financial position entries:

Defined benefit Liability/ (Asset)	52,345,000	64,127,000
Net Pension Cost	12,297,000	12,282,000
Re-measurements recognised in Other Comprehensive Income	(11,899,000)	(18,270,000)
Company's contributions paid	<u>(6,178,000)</u>	<u>(5,794,000)</u>
	<u><u>46,565,000</u></u>	<u><u>52,345,000</u></u>

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 19. Defined Benefit Liability (cont'd)

(i) Summary of Principal Assumptions as at 31 December :	2013	2012 Restated
Discount rate	5%	5%
Average individual salary increases	5%	5%
Future pension increases	2%	2%

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 2013 and 2012 are as follows :

*Life expectancy at age 60 for current pensioner in years:*

Male	18.0	18.0
Female	22.5	22.5

*Life expectancy at age 60 for current members age 40 in years:*

Male	18.0	18.0
Female	22.5	22.5

#### (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 2013 would have changed as a result of a change in the assumptions used.

	1 % pa increase (\$m)	1 % pa decrease (\$m)
Discount rate	49.04	(39.58)
Future salary increases	(13.40)	14.97

An increase of 1 year in the assumed life expectancies show above would increase the defined benefit obligation at 31 December 2013 by G\$9.292M.

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

The Company expects to pay G\$6.350M to the pension scheme during 2014.

# 2013 ANNUAL REPORT

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 20. Analysis of Financial Assets and Liabilities by measurement basis

ASSETS	2013		
	Loans and	Financial Assets	Total
	Receivables	and Liabilities at	
G\$	Amortised Cost	G\$	
Trade receivables	27,698,680	-	27,698,680
Other receivables and prepayments	7,748,925	-	7,748,925
Taxes recoverable	4,445,271	-	4,445,271
External payments deposit	-	100,977	100,977
Cash on hand and at bank	-	55,693,430	55,693,430
<b>Total Assets</b>	<b>39,892,876</b>	<b>55,794,407</b>	<b>95,687,283</b>
<b>LIABILITIES</b>			
Trade payables	-	12,334,987	12,334,987
Other payables and accruals	-	17,366,336	17,366,336
Advance payments	-	12,143,279	12,143,279
Other liabilities	-	72,372,272	72,372,272
Taxation	-	3,290,405	3,290,405
<b>Total Liabilities</b>	<b>-</b>	<b>117,507,279</b>	<b>117,507,279</b>
<b>2012</b>			
ASSETS	2012		
	Loans and	Financial Assets	Total
	Receivables	and Liabilities at	
G\$	Amortised Cost	G\$	
Trade receivables	12,827,328	-	12,827,328
Other receivables and prepayments	16,340,908	-	16,340,908
Taxes recoverable	4,445,271	-	4,445,271
External payments deposit	-	100,977	100,977
Cash on hand and at bank	-	59,593,582	59,593,582
<b>Total Assets</b>	<b>33,613,507</b>	<b>59,694,559</b>	<b>93,308,066</b>
<b>LIABILITIES</b>			
Trade payables	-	28,835,773	28,835,773
Other payables and accruals	-	12,236,772	12,236,772
Advance payments	-	17,584,944	17,584,944
Other liabilities	-	78,152,272	78,152,272
Taxation	-	3,905,354	3,905,354
Bank overdraft	-	1,993	1,993
<b>Total Liabilities</b>	<b>-</b>	<b>140,717,108</b>	<b>140,717,108</b>

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 21. 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 2012.

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.

The gearing ratio at the year end was as follows:

	2013 G\$	2012 G\$
<b>Debt (i)</b>	25,807,272	25,807,272
Cash and cash equivalents	(55,693,430)	(59,593,582)
Net balance	<u>(29,886,158)</u>	<u>(33,786,310)</u>
<b>Equity (ii)</b>	15,642,381	214,065,244

(i) Debt is defined as long term borrowings, as detailed in note 15.

(ii) Equity includes all capital and reserves of the Company.

#### 22. 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.

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 22. Financial Risk Management - Cont'd

##### (a) Market Risk - cont'd

##### (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.

	Average Interest rate	Maturing 2013		
		Within 1 year	Non interest bearing	Total
	%	G\$	G\$	G\$
<b>Assets</b>				
Trade receivables	-	-	27,698,680	27,698,680
Other receivables and prepayments	-	-	7,748,925	7,748,925
Taxation	-	-	4,445,271	4,445,271
External payment deposits	-	-	100,977	100,977
Cash at bank and on hand	2.3	55,548,430	145,000	55,693,430
		<b>55,548,430</b>	<b>40,138,853</b>	<b>95,687,283</b>
<b>Liabilities</b>				
Trade payables	-	-	12,334,987	12,334,987
Other payables and accruals	-	-	17,366,336	17,366,336
Advance payments	-	-	12,143,279	12,143,279
Taxation	-	-	3,290,405	3,290,405
Other Liabilities	-	-	72,372,272	72,372,272
Overdraft	-	-	-	-
		-	<b>117,507,279</b>	<b>117,507,279</b>
<b>Interest sensitivity gap</b>		<b>55,548,430</b>		

**GUYANA NATIONAL PRINTERS LIMITED**  
**NOTES ON THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**22. Financial Risk Management - Cont'd**

**(a) Market Risk - cont'd**

**(i) Interest Rate Risk**

	Average Interest rate	Maturing 2012		
		Within 1 year	Non interest bearing	Total
	%	G\$	G\$	G\$
<b>Assets</b>				
Trade receivables	-	-	12,827,328	12,827,328
Other receivables and prepayments	-	-	16,340,908	16,340,908
Taxation	-	-	4,445,271	4,445,271
External payment deposits	-	-	100,977	100,977
Cash at bank and on hand	2.3	59,448,582	145,000	59,593,582
		<u>59,448,582</u>	<u>33,859,484</u>	<u>93,308,066</u>
<b>Liabilities</b>				
Trade payables	-	-	28,835,773	28,835,773
Other payables and accruals	-	-	12,236,772	12,236,772
Advance payments	-	-	17,584,944	17,584,944
Taxation	-	-	3,905,354	3,905,354
Other Liabilities	-	-	78,152,272	78,152,272
Bank overdraft	-	1,993	-	1,993
		<u>1,993</u>	<u>140,715,115</u>	<u>140,717,108</u>
<b>Interest sensitivity gap</b>		<u>59,446,589</u>		

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 22. Financial Risk Management - Cont'd

##### (a) Market Risk - 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:

	<u>2013</u>	<u>2012</u>
Increase/decrease in basis points	Increase/(decrease) in profits <u>G\$</u>	Increase/(decrease) in profits <u>G\$</u>
<b>Local Instruments</b>	+ / - 50	-162,606 + / - 159,644

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.

##### iii. 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 risk.

**GUYANA NATIONAL PRINTERS LIMITED**  
**NOTES ON THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**22. Financial Risk Management - Cont'd**  
**(a) Market Risk - Cont'd**

**iv. Foreign Currency Risk**

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

	2013				<u>Total</u>
	T&T\$	Sterling	Euro	US\$	G\$
Assets	-	-	11,707.43	7,348.53	4,885,788
Liabilities	74,953	346	-	-	12,334,987
	2012				<u>Total</u>
	T&T\$	Sterling	Euro	US\$	G\$
Assets	-	-	-	60,680	12,500,063
Liabilities		-	229	139,617	28,835,773

**Foreign Currency Sensitivity Analysis**

The following table details the company's sensitivity to a 2.5% increase or decrease in the Guyana dollar (GYD) against the relevant currencies. Although a rate is not formally adopted and used as a measure, 2.5% gives a prudent possibility of a change in rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the period end for a 2.5 % change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the foreign currency strengthens 2.5% against the Guyana dollar (GYD). For a 2.5% weakening of the relevant foreign currency against the Guyana dollar, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.



## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

#### 22. Financial Risk Management - Cont'd

##### (iv) Foreign Currency Risk - Cont'd

##### Foreign Currency Sensitivity Analysis Cont'd

	<u>2013</u> G\$	<u>2012</u> G\$
Loss	<u>(186,230)</u>	<u>(245,027)</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 at 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.

	<u>2013</u> <b>Maximum exposure</b> G\$	<u>2012</u> <b>Maximum exposure</b> G\$
Cash on hand and at bank	55,693,430	59,593,582
External payment deposit	100,977	100,977
Trade receivables	27,698,680	12,827,328
Other receivables net of prepayments	7,598,925	16,190,908
Taxes recoverable	<u>4,445,271</u>	<u>4,445,271</u>
Maximum exposure	<u><b>95,537,283</b></u>	<u><b>93,158,066</b></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. On going credit evaluation is performed on the financial condition of receivables on a regular basis.

**GUYANA NATIONAL PRINTERS LIMITED**  
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**FOR THE YEAR ENDED 31 DECEMBER 2013**

**22. Financial risk management - cont'd**

**(b) Credit Risk - Cont'd**

	<u>2013</u> G\$	<u>2012</u> G\$
Trade and other receivables (excluding prepayments)	<u>29,466,649</u>	<u>13,631,158</u>
The above balances are classified as follows:		
Current	22,355,126	5,296,545
Past due but not impaired	1,972,006	8,334,613
Impaired	<u>5,139,517</u>	<u>-</u>
	<u>29,466,649</u>	<u>13,631,158</u>

**Ageing of Trade and Other Receivables which were Past Due but not Impaired**

30-59 days	886,328	3,140,826
60-89 days	1,085,678	1,073,015
Over 90 days but less than 1 year	<u>5,139,517</u>	<u>4,120,772</u>
	<u>7,111,523</u>	<u>8,334,613</u>

**Ageing of Trade and Other Receivables which are Impaired**

Balances over 1 year	<u>-</u>	<u>326,009</u>
Provision for impairment collectively assessed	<u>1,767,969</u>	<u>803,830</u>

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

#### 22. Financial Risk Management - Cont'd

##### (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.

	<u>Maturing</u>			<u>Total</u>
	<u>2013</u>			
	<u>Within 1 year</u>			
	<u>On Demand</u>	<u>Due 3 - 12 mths</u>	<u>Over 1 year</u>	
	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>
<b>Assets</b>				
Trade receivables	-	27,698,680	-	27,698,680
Other receivables and prepayments	-	7,748,925	-	7,748,925
Taxation	-	4,445,271	-	4,445,271
External payments deposit	-	100,977	-	100,977
Cash on hand and at bank	55,693,430	-	-	55,693,430
	<u>55,693,430</u>	<u>39,993,853</u>	<u>-</u>	<u>95,687,283</u>
<b>Liabilities</b>				
Trade payables	-	12,334,987	-	12,334,987
Other payables and accruals	-	17,366,336	-	17,366,336
Advance payments	12,143,279	-	-	12,143,279
Other Liabilities	-	-	72,372,272	72,372,272
Taxation	-	3,290,405	-	3,290,405
	<u>12,143,279</u>	<u>32,991,728</u>	<u>72,372,272</u>	<u>117,507,279</u>
<b>Net assets/(liabilities)</b>	<u>43,550,151</u>	<u>7,002,125</u>	<u>(72,372,272)</u>	<u>(21,819,996)</u>

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

#### 22. Financial Risk Management - Cont'd

##### (c) Liquidity Risk cont'd

	Maturing			Total G\$
	2012			
	Within 1 year		Over 1 year G\$	
On Demand G\$	Due 3 - 12 mths G\$			
<b>Assets</b>				
Trade receivables	-	12,827,328	-	12,827,328
Other receivables and prepayments	-	16,340,908	-	16,340,908
Taxation	-	4,445,271	-	4,445,271
External payments deposit	-	100,977	-	100,977
Cash on hand and at bank	59,593,582	-	-	59,593,582
	<b>59,593,582</b>	<b>33,714,484</b>	<b>-</b>	<b>93,308,066</b>
<b>Liabilities</b>				
Trade payables	-	28,835,773	-	28,835,773
Other payables and accruals	-	12,236,772	-	12,236,772
Advance payments	17,584,944	-	-	17,584,944
Other Liabilities	-	-	78,152,272	78,152,272
Taxation	-	3,905,354	-	3,905,354
Bank overdraft (unsecured)	1,993	-	-	1,993
	<b>17,586,937</b>	<b>44,977,899</b>	<b>78,152,272</b>	<b>140,717,108</b>
<b>Net Assets/(Liabilities)</b>	<b>42,006,645</b>	<b>(11,263,415)</b>	<b>(78,152,272)</b>	<b>(47,409,042)</b>

**GUYANA NATIONAL PRINTERS LIMITED**  
**NOTES ON THE ACCOUNTS**  
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## 23. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Listed below are transactions and balances with related parties:

	<u>2013</u> G\$	<u>2012</u> G\$
<b>(i) Balances with Ministries and other Government Agencies</b>		
Due from	<u>27,135,381</u>	<u>10,753,850</u>

### Key Management Personnel

#### (ii) Compensation

The company's key management personnel comprises of its General Manager and other senior personnel. The remuneration paid to key management personnel for the year was as follows:-

Short-term employee benefits	<u>25,179,040</u>	<u>23,502,461</u>
Post-employment benefits	<u>2,214,936</u>	<u>742,901</u>
<b>(iii) Directors' Emoluments</b>		
C. Belgrave	120,000	120,000
D. Grenardo	90,000	90,000
P. Boyce	90,000	90,000
M. Harris	90,000	90,000
M. Bacchus	15,000	88,334
S. Persaud	90,000	-
R. Ramgolam	90,000	-
D. Deonarine	90,000	-
	<u>675,000</u>	<u>478,334</u>

## 24. Privatization

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

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 25. Fair value of Financial Instruments

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

	31.12.2013		31.12.2012	
	Carrying amount	Fair value	Carrying amount	Fair value
	G\$	G\$	G\$	G\$
<b>Financial Assets</b>				
Trade receivables	27,698,680	27,698,680	12,827,328	12,827,328
Other receivables and prepayments	7,748,925	7,748,925	16,340,908	16,340,908
Taxation	4,445,271	4,445,271	4,445,271	4,445,271
External payments deposit	100,977	100,977	100,977	100,977
Cash on hand and at bank	55,693,430	55,693,430	59,593,582	59,593,582
	<b>95,687,283</b>	<b>95,687,283</b>	<b>93,308,066</b>	<b>93,308,066</b>
<b>Financial Liabilities</b>				
Trade payables	12,334,987	12,334,987	28,835,773	28,835,773
Other payables and accruals	17,366,336	17,366,336	12,236,772	12,236,772
Advance payments	12,143,279	12,143,279	17,584,944	17,584,944
Other Liabilities	72,372,272	72,372,272	78,152,272	78,152,272
Taxation	3,290,405	3,290,405	3,905,354	3,905,354
Bank Overdraft	-	-	1,993	1,993
	<b>117,507,279</b>	<b>117,507,279</b>	<b>140,717,108</b>	<b>140,717,108</b>

#### Valuation techniques and assumptions applied for the purposes of measuring 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/ recoverable and bank overdraft and receivables.

**GUYANA NATIONAL PRINTERS LIMITED**  
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<b>26. Basic earnings/(loss) per share</b>	<b>2013</b>	<b>2012</b>
	<b>G\$</b>	<b>G\$</b>
		<b>Restated</b>
Profit/(loss) for the year after taxation	<u>3,743,381</u>	<u>(4,668,669)</u>
Number of shares issued	<u>281,485</u>	<u>281,485</u>
Basic earnings/(loss) per share in dollars	<u>13.30</u>	<u>(16.59)</u>

**27. Restatement**

In the year 2013, the amendments to IAS 19 Employee Benefits came into effect requiring retrospective accounting. Certain balances that were not previously reported in 2012 audited financial statements were restated to take into account the changes made to IAS 19 Employee Benefits. The amendments required all actuarial gains and losses (re-measurements) to be recognised. The actuarial report obtained, shown only changes to prior year (2012) results, hence were unable to retropective these changes to year 2011 for assessment of the cumulative effect as required by IAS 8.

The effect of the restatement was as follows:

	<b>2012</b>
	<b>G\$</b>
Defined benefit liability - increased by	52,345,000
Retained earnings - decreased by	50,525,669
Other Comprehensive Income - increased by	18,270,000





