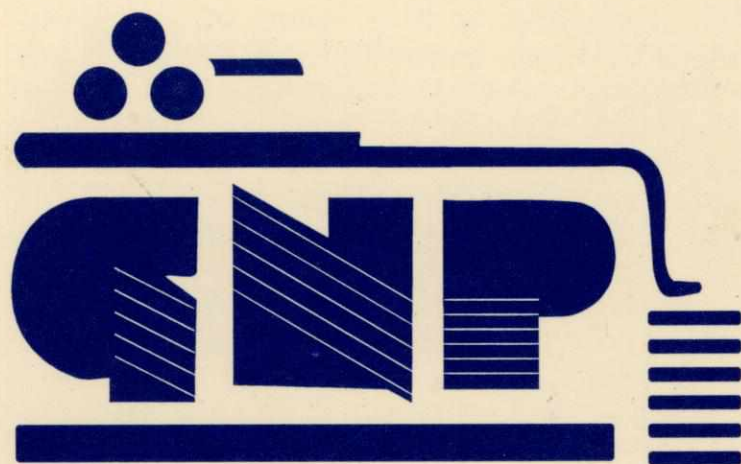


GUYANA NATIONAL PRINTERS LIMITED ANNUAL REPORTS FOR 2002-
2008

GUYANA NATIONAL PRINTERS LIMITED



Annual Report
2002

About the Company

The business was established during 1939 by Leon Schuler, and he traded under the name of B.G. Lithographic as Sole Trader. He was joined in 1942 by Messrs. Booker Mc Connell & Co. Ltd. and a Company was incorporated and named Guyana Lithographic Co. Ltd. The reason for Leon Schuler and Bookers joining hands was to expand and modernise the printing plant to meet the growing needs of Guyanese and West Indian customers.

When the country gained its independence from Britain in 1966, it was renamed Guyana Lithographic Co. Ltd. and when its assets were acquired by the State in May 1976, it was registered as Guyana National Lithographic Co. Ltd.

From 1980, the Company merged with Guyana Printers Ltd. and the two Companies were renamed Guyana National Printers Ltd. A planned rationalisation programme was put in train for greater effectiveness and efficiency at both plants.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Farhaud	Amin	- Chairman
Cecil	Ramsingh	
Bridget	Morrison	
Maharajia	Sahadeo	
Roysdale	Forde	
Nigel	John	- Worker Representative

MANAGEMENT

Charles	Sukhwa	- General Manager (resigned)
Marlyn	Nedd	- Company Secretary
Salina	Dass	- Finance Manager
David	Collins	- Sales Manager
Errol	Chan	- Production Manager

REGISTERED OFFICE

1 Public Road,
La Penitence
Georgetown
Tele # 225-12420

BANKERS

Republic Bank (Guyana) Ltd – Water Street, Georgetown
New Building Society – Avenue of the Republic

AUDITORS

Auditor General - 63 High Street Kingston, Georgetown

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **20th Annual General Meeting** of **Guyana National Printers Limited** will be held on **2010 April 21**, in the Company's Boardroom, 1 Public Road, La Penitence Georgetown **at 10:00 Hours** for the following purposes:

1. To receive and consider the Company's Accounts for the year ended **2002 December 31**, and the reports of the Directors and Auditors thereon.
2. To approve dividends in respect of the year ended **2002 December 31**, as recommended by the directors.
3. To appoint Auditors
4. To authorize the Directors to fix the remuneration of the Auditors
5. To transact any other business of an Annual General Meeting.

BY ORDER OF THE BOARD


.....

Marlyn Nedd (Mrs)

Company Secretary

GUYANA NATIONAL PRINTERS LIMITED

CHAIRMAN'S REPORT

I am pleased to present the Annual Report on the performance of Guyana National Printers Limited for the year **2002**.

In spite of the uncertainties surrounding the continued existence of the Company and the many challenges faced, the year was a reasonably successful one which resulted in the Company realizing pretax profits of **\$23.5M** from turnover of **\$181.6M**. This performance compares with pretax profits of \$37M and turnover of **\$187.2M** which were recorded for 2001.

Operations

The year **2002** was characterized by the frequent breakdown of essential pieces of machinery and equipment. In addition, the Company also experienced a decline in order intake due mainly to a downturn in the economy and also the increase in competition locally, regionally and internationally. The factory floor was sparse of jobs for most of the year and there was a marked reduction in seasonal (**Christmas**) jobs such as calendars because customers felt that the doors of the Company would have been closed at very short notice.

During the year information was received that another entity would be conducting a due diligence exercise of the Company with the view of acquiring same. The Company was also informed that the Ruimveldt location would have been put up for sale and that the Company was still being considered for privatization. This type of environment was not conducive to production and productivity and a lot of damage control had to be undertaken in an attempt to soothe the fears and insecurity of employees, customers and potential customers.

Our plans to reintroduce the Company's branded exercise books to the market in January were shelved because the marginal rollers which were recovered by Schiebeler & Company (Trinidad), were not of the required standard and could not have been used. It was eventually decided to test the market by introducing books without the margin. This was indeed a bold initiative since the imported books all carried the margin. Nonetheless, the venture turned out to be a success.

Capital Equipment

There was no addition to equipment during the year in which the Company received approval for capital expenditure in the sum of **\$1.5M**.

Industrial and Other Relations

A new Collective Bargaining Agreement was signed during the month of December, that paved the way for among other things, improved leave and vacation allowances for certain categories of employees and also increased meal allowance.

Employees benefitted from a five percent (5%) across-the-board increase retroactive from **2002 January 01**, as declared by the Ministry of Finance.

The evaluation of the managerial positions by **SV Jones Associates**, was commenced earlier in the year, was completed during the month of November.

Several Secondary school students served their work study stint with Company. Also, two (2) students from the University of Guyana, who were pursuing programmes in Mechanical Engineering and Mechatronics Engineering respectively, commenced a one (1) year attachment with Company. They were placed in the Maintenance section and lent valuable support to personnel there.

Bursary awards were issued to the children of six (6) of our employees who were successful at the Secondary Schools Entrance Examinations and there were sixteen (16) continuing bursaries.

Training

Our internal training programme was intensified especially in the Operations section which lost five (5) operators during 2001.

2003 and Beyond

It is expected that **2003** would be no less challenging than **2002** especially

when one considers that the Company is operating with aged equipment which at times prove to be quite troublesome and it is not expected that there would be any significant changes in the near future. We would therefore have to ensure that present equipment are refurbished/repared in a speedy manner so as to enhance production and productivity.

I now take this opportunity to thank all members of staff for their efforts without which the results achieved would not have been possible.



Office of the Auditor General

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana

Tel: 592-226-7592, Fax: 592-226-7257, <http://www.audit.gov.gy>

AG:105/2003

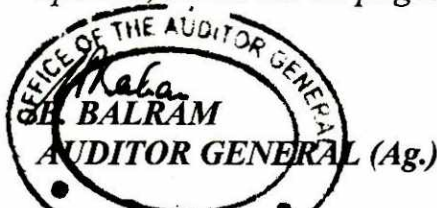
26 June 2003

**REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF
THE BOARD OF DIRECTORS OF
GUYANA NATIONAL PRINTERS LIMITED
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

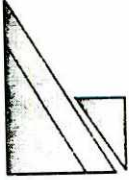
Chartered Accountants, KPMG, have audited on my behalf the financial statements of Guyana National Printers Limited for the year ended 31 December 2002, as set out on pages 3 to 12. The audit was conducted in accordance with the Financial Administration and Audit (Amendment) Act 1993.

The preparation of the financial statements, including assertions relating to their completeness, accuracy and validity, and compliance with applicable laws, regulations and contractual obligations, is the responsibility of Management. My responsibility is to express an independent opinion on the statements based on these assertions and to report my opinion to you.

As required by the Financial Administration and Audit (Amendment) Act 1993, I have reviewed the audit plan and procedures, work 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. I concur with the qualified opinion, as set out on pages 1 to 2, of Chartered Accountants, KPMG.



**OFFICE OF THE AUDITOR GENERAL
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA**



Nizam Ali & Company

Chartered Accountants

9 Church Street
Georgetown
Guyana

Tel: (592)-225-9291
(592)-227-8825
Telefax (592)-227-8824
E-mail: nizamali@guyana.net.gy

**REPORT OF CHARTERED ACCOUNTANTS
NIZAM ALI AND COMPANY
TO THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
GUYANA NATIONAL PRINTERS LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2002**

We have audited the attached financial statements of Guyana National Printers Limited for the year ended December 31, 2002 as set out on pages 3 to 12. These financial statements are the responsibility of Management of Guyana National Printers Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Office of the Auditor General's auditing standards and other generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 13 to the financial statements, the company participates with certain other companies in a pension scheme. The actuarial valuation of this scheme as at December 31, 1995 revealed a past service deficit of \$332.6 million. No provision was made in the financial statements for the Company's share of the deficit as this could not be determined.

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2002, and of the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Without further qualifying our opinion we wish to emphasise that the financial statements have been prepared using generally accepted accounting principles applicable to a going concern which contemplate the realisation of assets and liquidation of liabilities in the normal course of business. However, as explained in Note 15 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.

Nizam Ali & Company
Chartered Accountants
Georgetown, Guyana

May 05, 2003

GUYANA NATIONAL PRINTERS LIMITED

Balance Sheet

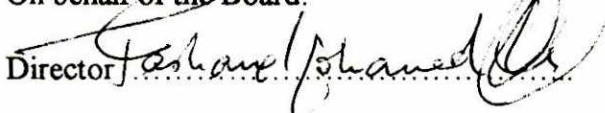
December 31, 2002

(With comparative figures for 2001)

	<u>Note</u>	<u>2002</u> <u>G\$</u>	<u>2001</u> <u>G\$</u>
Fixed assets	3	<u>12,313,556</u>	<u>13,220,493</u>
Current assets			
Inventories	4	70,166,197	51,105,309
Trade receivables		17,145,151	8,272,863
Other receivables and prepayments		1,175,029	1,242,015
Taxation recoverable		13,234,298	13,234,298
External payment deposits		100,977	100,977
Cash on hand and at bank		<u>51,555,154</u>	<u>58,021,379</u>
		<u>153,376,806</u>	<u>131,976,841</u>
Current liabilities			
Bank overdraft		-	1,123,809
Trade payables		16,230,987	15,106,029
Advance payments		21,017,404	18,168,688
Other payables and accruals		31,023,771	26,276,789
Taxation payable		11,591,545	16,882,108
Dividends payable		<u>7,005,286</u>	<u>7,005,286</u>
		<u>86,868,993</u>	<u>84,562,709</u>
Net current assets		<u>66,507,813</u>	<u>47,414,132</u>
Long-term debt	5	<u>30,000,000</u>	<u>30,000,000</u>
Net assets		<u>48,821,369</u>	<u>30,634,625</u>
Financed by:			
Share capital	6	2,814,850	2,814,850
Capital reserve	7	12,873,199	12,873,199
Retained earnings		<u>33,133,320</u>	<u>14,946,576</u>
Shareholders' equity		<u>48,821,369</u>	<u>30,634,625</u>

On behalf of the Board:

Director



Director



The accompanying notes form an integral part of these financial statements.

GUYANA NATIONAL PRINTERS LIMITED

Statement of Net Profit and Retained Earnings For the year ended December 31, 2002 (With comparative figures for 2001)

	<u>Note</u>	<u>2002</u> <u>G\$</u>	<u>2001</u> <u>G\$</u>
Sales	8	181,685,768	187,282,050
Cost of sales		<u>(125,660,642)</u>	<u>(110,398,684)</u>
Gross profit		<u>56,025,126</u>	<u>76,883,366</u>
Administrative expenses		<u>(34,802,597)</u>	<u>(43,078,736)</u>
Net financing income	9	<u>2,091,841</u>	<u>2,878,110</u>
		<u>(32,710,756)</u>	<u>(40,200,626)</u>
		23,314,370	36,682,740
Other income		<u>246,043</u>	<u>395,547</u>
Net profit before taxation	10	23,560,413	37,078,287
Taxation	11	<u>(5,373,669)</u>	<u>(7,566,907)</u>
Net profit for the year		18,186,744	29,511,380
Retained earnings, beginning of year		<u>14,946,576</u>	<u>(14,564,804)</u>
Retained earnings, end of year		<u>33,133,320</u>	<u>14,946,576</u>
Earnings per share in dollars	12	<u>64.61</u>	<u>104.84</u>

The accompanying notes form an integral part of these financial statements.

GUYANA NATIONAL PRINTERS LIMITED

Cash Flow Statement
For the year ended December 31, 2002
(With comparative figures for 2001)

	2002	2001
	G\$	G\$
Cash flows from operating activities		
Net profit before taxation	23,560,413	37,078,287
Adjustment for depreciation	3,346,975	3,549,555
Gain of disposal of fixed asset	<u>-</u>	<u>(202,000)</u>
<i>Operating profit before working capital changes</i>	26,907,388	40,425,842
(Increase) decrease in inventories	(19,060,888)	2,575,986
Increase in trade receivables	(8,872,288)	(357,854)
Decrease in other receivables and prepayments	66,986	2,553,077
Increase (decrease) in trade payables	1,124,958	(6,756,374)
Increase (decrease) in advance payments	2,848,716	(12,862,176)
Increase in other payables and accruals	4,746,982	5,482,416
Taxes paid	<u>(10,664,232)</u>	<u>-</u>
<i>Net cash from operating activities</i>	<u>(2,902,378)</u>	<u>31,060,917</u>
Cash flows from investing activities		
Purchase of fixed assets	(2,440,038)	(2,333,735)
Proceeds from sale of fixed asset	<u>-</u>	<u>202,000</u>
<i>Net cash used in investing activities</i>	<u>(2,440,038)</u>	<u>(2,131,735)</u>
Increase in cash and cash equivalents	(5,342,416)	28,929,182
Cash and cash equivalents, beginning of year	<u>56,897,570</u>	<u>27,968,388</u>
<i>Cash and cash equivalents, end of year</i>	<u>51,555,154</u>	<u>56,897,570</u>
Cash and cash equivalents comprise:		
Cash on hand and at bank	51,555,154	58,021,379
Bank overdraft	<u>-</u>	<u>(1,123,809)</u>
	<u>51,555,154</u>	<u>56,897,570</u>

The accompanying notes form an integral part of these financial statements.

GUYANA NATIONAL PRINTERS LIMITED

Notes to Financial Statements December 31, 2002

1. Incorporation and activities

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

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

2. Significant accounting policies

The financial statements have been presented in Guyana dollars. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and the accounting policies conforming with generally accepted accounting principles.

(a) Fixed assets and depreciation

No depreciation is provided on freehold land.

Depreciation on other fixed assets is based on their estimated useful lives and is charged from the date of acquisition. Depreciation is provided on the straight-line method at the following annual rates:-

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

(b) Inventories

These are valued at the lower of cost and net realisable value. The weighted average cost method is used to determine cost.

(c) Foreign currency

Foreign currency transaction completed during the year are translated at the National Bank of Industry and Commerce Limited cambio rate of exchange at the date of each transaction. At the balance sheet date all assets and liabilities denominated in foreign currencies are translated at the National Bank of Industry and Commerce Limited cambio rate of exchange ruling at that date or at rates agreed by Bank of Guyana.

Gains and losses arising from the translation of foreign currencies are included in the profit and loss account for the year.

GUYANA NATIONAL PRINTERS LIMITED

Notes to Financial Statements
December 31, 2002

2. Significant accounting policies (cont'd)

(d) Pension scheme

The Company participates with certain other companies in a contributory pension scheme viz. The Guyana Sugar and Trading Enterprises Pension Scheme, a defined benefit scheme. The contributions are held in a trustee administered fund, which are separate from the Company's finances. The accounting policy is to provide for pension liabilities on a systematic and rational basis during the period of employment of the members of the pension scheme.

GUYANA NATIONAL PRINTERS LIMITED

Notes to Financial Statements
December 31, 2002

3. Fixed assets

(a)	Land and buildings		Plant,	Motor	Total
	Freehold	Leasehold	& equipment	vehicles	
	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>
<i>Cost/valuation</i>					
At 01.01.2002	15,546,057	957	58,280,227	11,386,529	85,213,770
Additions	<u>-</u>	<u>-</u>	<u>440,038</u>	<u>2,000,000</u>	<u>2,440,038</u>
At 31.12.2002	<u>15,546,057</u>	<u>957</u>	<u>58,720,265</u>	<u>13,386,529</u>	<u>87,653,808</u>
<i>Depreciation</i>					
At 01.01.2002	6,074,164	162	54,532,422	11,386,529	71,993,27
Charge for the year	<u>302,100</u>	<u>-</u>	<u>2,544,875</u>	<u>500,000</u>	<u>3,346,975</u>
At 31.12.2002	<u>6,376,264</u>	<u>162</u>	<u>57,077,297</u>	<u>11,886,529</u>	<u>75,340,091</u>
<i>Net book value</i>					
At 31.12.2002	<u>9,169,793</u>	<u>795</u>	<u>1,642,968</u>	<u>1,500,000</u>	<u>12,313,556</u>
At 31.12.2001	<u>9,471,893</u>	<u>795</u>	<u>3,747,805</u>	<u>-</u>	<u>13,220,493</u>

(b) Fixed assets 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 when revaluation was done by professional valuers. The surplus on revaluation has been credited to capital reserve.

The building at Industrial Site, Ruimveldt is situated on land owned by Guyana National Co-operative Bank.

GUYANA NATIONAL PRINTERS LIMITED

Notes to Financial Statements December 31, 2002

	2002 <u>G\$</u>	2001 <u>G\$</u>
4. Inventories		
Raw materials	21,316,443	18,655,832
Work in progress	23,224,159	13,761,283
Finished goods	19,575,707	12,785,358
Spares	<u>6,049,888</u>	<u>5,902,836</u>
	<u>70,166,197</u>	<u>51,105,309</u>

	2002 <u>G\$</u>	2001 <u>G\$</u>
5. Long-term debt	<u>30,000,000</u>	<u>30,000,000</u>

This amount represents monies advanced to the Company by the Ministry of Finance. The terms and conditions of this advance including the repayment date have not yet been finalised.

	2002 <u>G\$</u>	2001 <u>G\$</u>
6. Share capital		
Authorised 300,000 Ordinary shares	<u>3,000,000</u>	<u>3,000,000</u>
Issued and fully paid 281,485 Ordinary shares - stated value	<u>2,814,850</u>	<u>2,814,850</u>

GUYANA NATIONAL PRINTERS LIMITED

Notes to Financial Statements December 31, 2002

	2002	2001
	<u>G\$</u>	<u>G\$</u>
7. Capital reserve	<u>12,873,199</u>	<u>12,873,199</u>
<p>This represents the difference between the compensation price and the valuation of fixed assets at May 26, 1976 and the surplus of the revaluation done in 1982.</p>		
8. Sales		
<p>Sales represent the value of goods and services sold to third parties.</p>		
	2002	2001
	<u>G\$</u>	<u>G\$</u>
9. Net financing (income) costs.		
Interest expense	36,463	50,785
Net foreign exchange loss	178,124	(565,919)
Interest income	<u>(2,306,428)</u>	<u>(2,362,976)</u>
	<u>(2,091,841)</u>	<u>(2,878,110)</u>
	2002	2001
	<u>G\$</u>	<u>G\$</u>
10. Net profit before taxation	<u>23,560,413</u>	<u>37,078,287</u>
<p>After charging the following:</p>		
Depreciation	3,346,975	3,549,555
Auditors' remuneration	925,000	925,000
Directors' remuneration (a)	532,500	555,000
<p>(a) Directors' remuneration</p>		
Chairman	90,000	90,000
Non executive directors	<u>442,500</u>	<u>465,000</u>
	<u>532,500</u>	<u>555,000</u>

GUYANA NATIONAL PRINTERS LIMITED

Notes to Financial Statements December 31, 2002

	2002 <u>G\$</u>	2001 <u>G\$</u>
11. Taxation		
Property tax	1,482,239	1,372,257
Corporation tax	<u>3,891,430</u>	<u>6,194,650</u>
	<u>5,373,669</u>	<u>7,566,907</u>

	2002 <u>G\$</u>	2001 <u>G\$</u>
12. Earnings per share		
Earnings per share is calculated as follows:-		
Net profit for the year	<u>18,186,744</u>	<u>29,511,380</u>
Number of shares issued	<u>281,485</u>	<u>281,485</u>
Earnings per share in dollars	<u>64.61</u>	<u>104.84</u>

13. Pension scheme

The actuarial valuation at December 31, 1995 of the Guyana Sugar and Trading Enterprise Pension Scheme in which the company participates with certain other companies revealed a past service deficit of G\$332.6 million. It is anticipated by the Actuaries that continued contributions by the participating companies at the current levels of 13% of members' salaries would be sufficient to meet the deficit of the scheme within four (4) years of the valuation date. No provision was made in the financial statements for the Company's share of the deficit, as this could not be determined.

GUYANA NATIONAL PRINTERS LIMITED

Notes to Financial Statements December 31, 2002

14. Contingencies

- (a) The Company received a tax liability statement from the Commissioner, Internal Revenue which indicated taxes including interest amounting to \$50,750,024 owing by the Company. These taxes included corporation, income and property taxes relating to years of assessment 1987 to 1997. The Company has since objected to these taxes and based on its accounting records for that period does not expect to make further payments.
 - (b) The Company received a statement of account for rates and taxes amounting to \$108,835,144 relating to years 1997 to 2000. Included in the amount of \$108,835,144 are rates and taxes demand charge of \$57,423,420 and interest of \$51,411,724. An amount of \$20,037,000 in respect of rates and taxes demand charge was recorded previously as an expense in the income statement, however, the difference of \$37,386,420 and interest of \$51,411,724 were not recognised in the income statement since the Company disputed these amounts. As at the date of the auditors' report, management expects the rates and taxes demand charge to be reduced to \$20,037,000 and interest, if any, to be immaterial. Settlements, if any, will be recorded in the period in which it occurs.
15. The Government of Guyana has listed the Company to be privatised, however, this privatisation has been put on hold during 1999.