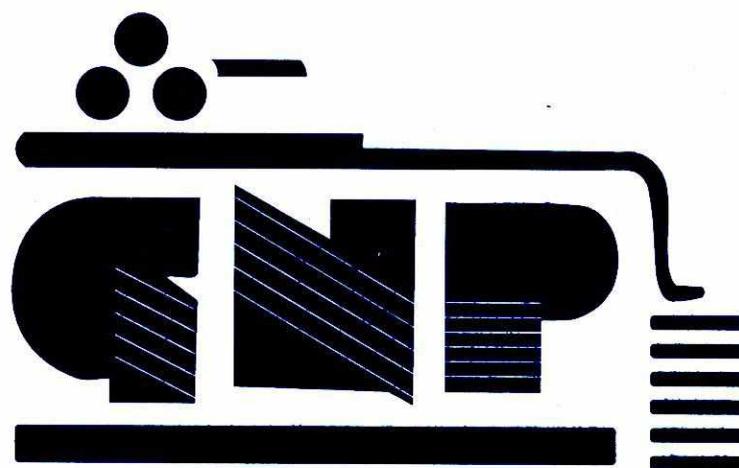


GUYANA NATIONAL PRINTERS LIMITED



Annual Report
2003

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.

Operations were completely consolidated at the La Penitence Plant in 2003 at which time the Industrial Site property was sold.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

MANAGEMENT

Marlyn	Nedd	- General Manager/Company Secretary
Salina	Dass	- Finance Manager (study leave)
Denise	Souvenir	- Finance Manager (ag)
David	Collins	- Sales Manager
Errol	Chan	- Production Manager

REGISTERED OFFICE

1 Public Road,
La Penitence
Georgetown
Tele # 225-1242

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 **21st 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 **2003 December 31**, and the reports of the Directors and Auditors thereon.
2. To approve dividends in respect of the year ended **2003 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

Trading results for **2003** reflect turnover of **\$175M** with a pre-tax profit of **\$13.3M**. This compares with 2002 figures of **\$181.6M** and **\$23.5M** respectively.

Operations

The year **2003** was certainly another challenging one for most businesses in Guyana and Guyana National Printers Limited was no exception. Our situation was compounded by the fact that we were competing in a market where businesses were continuously upgrading their technology but this Company was not in any position to do likewise. At the same time competition was not only within Guyana but beyond our borders as far as Miami.

Machine problems prevailed throughout the year with the Camera, Plate Maker, **SORM** and **GTO** experiencing problems for weeks on end. Plate making and camera services had to be sought from other printers on several occasions.

The marketing of our products especially the GNPL exercise books intensified in **2003** with sales personnel travelling to as far as Parika and Mahaica to market the Company's products. Response to the exercise books was encouraging with sales of **\$9.6M** being garnered even though they did not carry the margin.

The Company was not very successful in marketing its coloured work; sales personnel were repeatedly told by users of such print that the company would need to acquire a four-colour press if it wanted to attract their patronage. We found that such customers were concerned about inconsistent registration when jobs had to be passed through the press more than once. In addition, because of our limitations, such jobs tended to be more expensive as compared with those of our competitors.

One of the country's leading furniture and house-hold appliances dealers requested quotations for 14 types of brochures valued at **\$26.6M**, however the Company's printing equipment were woefully inadequate to meet the customer's stringent delivery time lines and as a result the job went

elsewhere.

The Ruimveldt Plant was sold by the National Industrial and Commercial Investments Limited (**NICIL**) and GNPL was asked to vacate same during the first week of September. As a result, production of exercise books was accelerated in order to facilitate the move.

The exercise book machine was dismantled and removed from the Ruimveldt location and re-assembled at the La Penitence factory. This exercise was carried out by **M. A. Alli Electrical**, a local firm.

The production of the Company's branded exercise books for the rest of the year was severely affected by the poor performance of the exercise book machine, since its relocation.

In an effort to reduce and control expenses the Company self generated electricity for production purposes. Electricity from Guyana Power and Light Company was used for security lights at nights and also at weekends if the factory was called upon to work. It was however found that the Company was still being billed in excess of **\$500,000** per month as fixed charges.

Industrial Relations

Management received good support from the Printing Industry and Allied Workers Union throughout 2003 which was a very difficult year for the Company. Being very supportive of management and understanding the financial constraints the company was faced with, the union agreed to accept fifty percent (**50%**) of the balance outstanding in final settlement of the payment of wages and salaries as per the job evaluation exercise which was completed in 2001.

Staff Matters

Training programmes were implemented in most departments in the factory and also in the Accounts Department. Managers and supervisors also attended programmes in Human Resources Management, Supervisory Management and Industrial Relations.

Four bursaries were issued to workers' children who were successful at the Secondary School's Entrance Examinations.

Workers Contribution:

Workers at all levels made a significant contribution during 2003 and their efforts should be recognized. I would like to take this opportunity to thank them on behalf of the Board of Directors.



Office of the Auditor General

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

Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.gov.gy>

AG:72/2004

22 June 2004

**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 2003**

Chartered Accountants, Nizam Ali and Company, have audited on my behalf the financial statements of Guyana National Printers Limited for the year ended 31 December 2003, as set out on pages 3 to 13. The audit was conducted in accordance with the Financial Administration and Audit (Amendment) Act 1993.

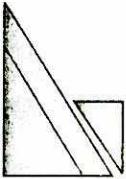
The preparation of the financial statements, including assertions relating to their completeness, accuracy and validity, and compliance with applicable laws, regulations and contractual obligations, is the responsibility of Management. My responsibility is to express an independent opinion on the statements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


B. BALRAM

AUDITOR GENERAL (ag.)

**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, 2003**

We have audited the attached financial statements of Guyana National Printers Limited for the year ended December 31, 2003 as set out on pages 3 to 13. 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 International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 14 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, these financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2003, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Guyana and comply with the Companies Act 1991.

Without further qualifying our opinion we wish to emphasise that the financial statements have been prepared using International Financial Reporting Standards 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 17 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 21, 2004

GUYANA NATIONAL PRINTERS LIMITED

Balance Sheet

December 31, 2003

(With comparative figures for 2002)

	<u>Note</u>	2003 <u>G\$</u>	2002 <u>G\$</u>
Fixed assets	3	<u>6,496,288</u>	<u>12,313,556</u>
Current assets			
Inventories	4	83,811,613	70,166,197
Trade receivables		25,506,849	17,145,151
Other receivables and prepayments		778,664	1,175,029
Taxation recoverable		13,234,298	13,234,298
External payment deposits		100,977	100,977
Cash on hand and at bank		<u>41,506,333</u>	<u>51,555,154</u>
		<u>164,938,734</u>	<u>153,376,806</u>
Current liabilities			
Bank overdraft	5	3,309,938	-
Trade payables		14,102,790	16,230,987
Advance payments		35,146,112	21,017,404
Other payables and accruals		14,594,806	31,023,771
Taxation payable		12,961,714	11,591,545
Dividends payable		<u>7,005,286</u>	<u>7,005,286</u>
		<u>87,120,646</u>	<u>86,868,993</u>
Net current assets		<u>77,818,088</u>	<u>66,507,813</u>
Long-term debt	6	<u>25,807,272</u>	<u>30,000,000</u>
Net assets		<u>58,507,104</u>	<u>48,821,369</u>
Financed by:			
Share capital	7	2,814,850	2,814,850
Capital reserve	8	12,873,199	12,873,199
Retained earnings		<u>42,819,055</u>	<u>33,133,320</u>
Shareholders' equity		<u>58,507,104</u>	<u>48,821,369</u>

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

The financial statements have been approved by the Directors on 24.01.04 on behalf of the Board:

Director

Director

GUYANA NATIONAL PRINTERS LIMITED

**Statement of Net Profit and Retained Earnings
For the year ended December 31, 2003
(With comparative figures for 2002)**

	<u>Note</u>	<u>2003</u> <u>G\$</u>	<u>2002</u> <u>G\$</u>
Sales	9	175,430,172	181,685,768
Cost of sales		(138,085,644)	(125,660,642)
Gross profit		<u>37,344,528</u>	<u>56,025,126</u>
Administrative expenses		(24,878,032)	(34,802,597)
Net financing income	10	<u>765,452</u>	<u>2,091,841</u>
		<u>(24,112,580)</u>	<u>(32,710,756)</u>
		13,231,948	23,314,370
Other income		<u>100,300</u>	<u>246,043</u>
Net profit before taxation	11	13,332,248	23,560,413
Taxation	12	<u>(3,646,513)</u>	<u>(5,373,669)</u>
Net profit for the year		9,685,735	18,186,744
Retained earnings, beginning of year		<u>33,133,320</u>	<u>14,946,576</u>
Retained earnings, end of year		<u>42,819,055</u>	<u>33,133,320</u>
Earnings per share in dollars	13	<u>34.41</u>	<u>64.61</u>

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

GUYANA NATIONAL PRINTERS LIMITED

Statement of Changes in Equity

December 31, 2003

(With comparative figures for 2002)

	<u>2003</u> G\$	<u>2002</u> G\$
Share capital (note 7)		
As at beginning of year	2,814,850	2,814,850
New issues	_____ -	_____ -
As at end of year	<u>2,814,850</u>	<u>2,814,850</u>
 Capital reserve (note 8)		
As at beginning of year	12, 873,199	12,873,199
New issues	_____ -	_____ -
As at end of year	<u>12,873,199</u>	<u>12,873,199</u>
 Retained earnings		
As at beginning of year	33,133,320	14,946,576
Profit for the year	<u>9,685,735</u>	<u>18,186,744</u>
As at end of year	<u>42,819,055</u>	<u>33,133,320</u>
 Total	 <u>58,507,104</u>	 <u>48,821,369</u>

GUYANA NATIONAL PRINTERS LIMITED

**Cash Flow Statement
For the year ended December 31, 2003
(With comparative figures for 2002)**

	2003 <u>G\$</u>	2002 <u>G\$</u>
Cash flows from operating activities		
Net profit before taxation	13,332,248	23,560,413
Adjustment for depreciation	<u>2,673,440</u>	<u>3,346,975</u>
<i>Operating profit before working capital changes</i>	16,005,688	26,907,388
Increase in inventories	(13,645,416)	(19,060,888)
Increase in trade receivables	(8,361,698)	(8,872,288)
Decrease in other receivables and prepayments	396,365	66,986
(Decrease) increase in trade payables	(2,128,197)	1,124,958
Increase in advance payments	14,128,708	2,848,716
(Decrease) increase in other payables and accruals	(16,428,965)	4,746,982
Decrease in long - term debt	(4,192,728)	-
Taxes paid	<u>(2,276,344)</u>	<u>(10,664,232)</u>
<i>Net cash from operating activities</i>	<u>(16,502,587)</u>	<u>(2,902,378)</u>
Cash flows from investing activities		
Purchase of fixed assets	(1,048,900)	(2,440,038)
Proceeds from sale of fixed asset	<u>4,192,728</u>	<u>-</u>
<i>Net cash used in investing activities</i>	<u>3,143,828</u>	<u>(2,440,038)</u>
Decrease in cash and cash equivalents	(13,358,759)	(5,342,416)
Cash and cash equivalents, beginning of year	<u>51,555,154</u>	<u>56,897,570</u>
<i>Cash and cash equivalents, end of year</i>	<u>38,196,395</u>	<u>51,555,154</u>
Cash and cash equivalents comprise:		
Cash on hand and at bank	41,506,333	51,555,154
Bank overdraft	<u>(3,309,938)</u>	<u>-</u>
	<u>38,196,395</u>	<u>51,555,154</u>

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

GUYANA NATIONAL PRINTERS LIMITED

Notes to Financial Statements December 31, 2003

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. These financial statements are prepared in accordance with International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Guyana.

(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, 2003

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, 2003

3. Fixed assets

(a)	Land and buildings		Plant, machinery & equipment	Motor vehicles	Total
	Freehold	Leasehold			
	G\$	G\$	G\$	G\$	G\$
Cost/valuation					
At 01.01.2003	15,546,057	957	58,720,265	13,386,529	87,653,808
Additions	-	-	1,048,900	-	1,048,900
Disposals	<u>(7,286,101)</u>	-	-	-	<u>(7,286,101)</u>
At 31.12.2003	<u>8,259,956</u>	<u>957</u>	<u>59,769,165</u>	<u>13,386,529</u>	<u>81,416,607</u>
Depreciation					
At 01.01.2003	6,376,264	162	57,077,297	11,886,529	75,340,252
Charge for the year	156,378	-	2,017,062	500,000	2,673,440
Write back	<u>(3,093,373)</u>	-	-	-	<u>(3,093,373)</u>
At 31.12.2003	<u>3,439,269</u>	<u>162</u>	<u>59,094,359</u>	<u>12,386,529</u>	<u>74,920,319</u>
Net book value					
At 31.12.2003	<u>4,820,687</u>	<u>795</u>	<u>674,806</u>	<u>1,000,000</u>	<u>6,496,288</u>
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>

(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.

GUYANA NATIONAL PRINTERS LIMITED

Notes to Financial Statements
December 31, 2003

3. Fixed assets

(a)	<u>Land and buildings Freehold</u>	<u>Leasehold</u>	<u>Plant, machinery & equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>
Cost/valuation					
At 01.01.2003	15,546,057	957	58,720,265	13,386,529	87,653,808
Additions	-	-	1,048,900	-	1,048,900
Disposals	<u>(7,286,101)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,286,101)</u>
At 31.12.2003	<u>8,259,956</u>	<u>957</u>	<u>59,769,165</u>	<u>13,386,529</u>	<u>81,416,607</u>
Depreciation					
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Charge for the year	156,378	-	2,017,062	500,000	2,673,440
Write back	<u>(3,093,373)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,093,373)</u>
At 31.12.2003	<u>3,439,269</u>	<u>162</u>	<u>59,094,359</u>	<u>12,386,529</u>	<u>74,920,319</u>
Net book value					
At 31.12.2003	<u>4,820,687</u>	<u>795</u>	<u>674,806</u>	<u>1,000,000</u>	<u>6,496,288</u>
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>

(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.

GUYANA NATIONAL PRINTERS LIMITED

Notes to Financial Statements December 31, 2003

	2003	2002
	<u>G\$</u>	<u>G\$</u>
4. Inventories		
Raw materials	40,231,171	21,316,443
Work in progress	11,333,809	23,224,159
Finished goods	20,765,086	19,575,707
Spares	<u>11,481,547</u>	<u>6,049,888</u>
	<u>83,811,613</u>	<u>70,166,197</u>

	2003	2002
	<u>G\$</u>	<u>G\$</u>
5. Bank overdraft	<u>3,309,938</u>	<u>-</u>

The overdraft facility is held at National Bank of Industry and Commerce Limited and is secured on property situated at 1 La Penitence, Public Road, Georgetown.

	2003	2002
	<u>G\$</u>	<u>G\$</u>
6. Long-term debt	<u>25,807,272</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 have not yet been finalised.

	2003	2002
	<u>G\$</u>	<u>G\$</u>
7. 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, 2003

	2003	2002
	<u>G\$</u>	<u>G\$</u>
8. 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>		
9. Sales		
<p>Sales represent the value of goods and services sold to third parties.</p>		
	2003	2002
	<u>G\$</u>	<u>G\$</u>
10. Net financing income		
Interest expense	(34,640)	(36,463)
Net foreign exchange loss	(283,555)	(178,124)
Interest income	<u>1,083,647</u>	<u>2,306,428</u>
	<u>765,452</u>	<u>2,091,841</u>
	2003	2002
	<u>G\$</u>	<u>G\$</u>
11. Net profit before taxation	<u>13,332,248</u>	<u>23,560,413</u>
<p>After charging the following:</p>		
Depreciation	2,673,440	3,346,975
Auditors' remuneration	925,000	925,000
Directors' remuneration (a)	487,500	532,500
(a) Directors' remuneration		
F Amin	90,000	90,000
C Ramsingh	90,000	90,000
R Forde	37,500	82,500
M Sahadeo	90,000	90,000
B Morrison	90,000	90,000
N John	<u>90,000</u>	<u>90,000</u>
	<u>487,500</u>	<u>532,500</u>

GUYANA NATIONAL PRINTERS LIMITED

Notes to Financial Statements

December 31, 2003

15. Contingencies

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.

16. Financial instruments

- (i) Credit risk
Credit risk on trade receivables is limited, as trade receivables are shown net of provision for bad debts. Management believes that there is no additional credit risk beyond amounts provided for collection losses.

- (ii) Fair values
The fair values of cash and bank balances, accounts receivable, accounts payable and parent company advances are not materially different from their carrying amounts.

17. The Government of Guyana has listed the Company to be privatised, however, this privatisation has been put on hold during 1999.