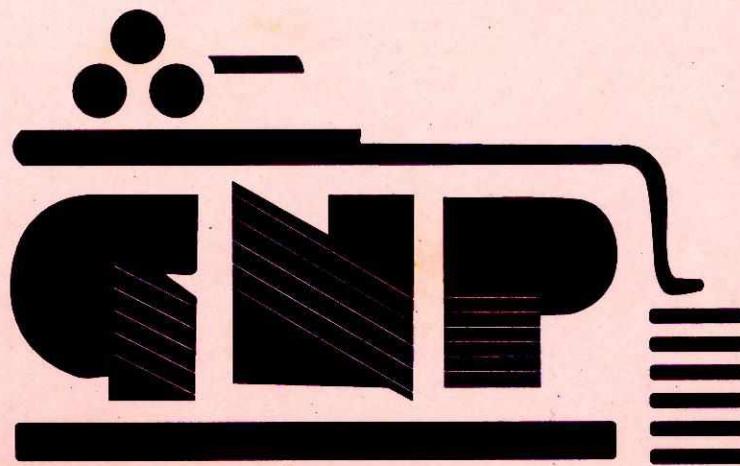


# GUYANA NATIONAL PRINTERS LIMITED



Annual Report  
2005

## **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.

## **Contents**

## **Page**

Corporate Information	ii
Notice of Annual General Meeting	iii
Chairman's Report	iv - vi
Report of the Auditor General	vii
Report of the Chartered Accountants	1 (a)...
Profit & Loss Account	2
Statement of Changes in Equity	3
Balance Sheet	4
Cash Flow Statements	5
Notes On the Accounts	6 - 19

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Farhaud	Amin	- Chairman
Cecil	Ramsingh	
Percival	Boyce (Jnr)	
Cyril	Belgrave	
Maharajia	Sahadeo	
Michael	Gordon	
Aubrey	Collins	
Don	Grenardo	- Worker Representative

### REGISTERED OFFICE

1 Public Road  
La Penitence  
Georgetown  
Tele # 225-1242

### MANAGEMENT

Marlyn	Nedd	- General Manager/Director/Company Secretary
David	Collins	- Sales Manager
Errol	Chan	- Production Manager
Denise	Souvenir	- Finance Manager

### 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 **23<sup>rd</sup> 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 **2005 December 31**, and the reports of the Directors and Auditors thereon.
2. To approve dividends in respect of the year ended **2005 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

### Operations

The year **2005** was another year of significant challenges for Guyana National Printers Limited. The reduced workforce of **78**, following the severing of **thirty-three percent (33%) of the work-force**, proved to be rather lean, to the extent that at times the absence of just one (**1**) employee, had a noticeable effect on production. Managers were at times required to work alongside workers in order to meet customers' demands.

The year began with approximately **336,000** exercise books yet to be produced for the Ministry of Education to fulfill the 2004 contract. This situation was due mainly to the erratic performance of the exercise book machine. In order to alleviate the situation, the Company was forced to contract a Trinidadian Company to produce some of the books.

Trading results for **2005** reflected turnover of **\$184.7M** and pre-tax profits of **\$9.6M**. This performance compares with 2004's (performance) of **\$175.8M** and **(\$26.7M)**, respectively. Cost of Sales was recorded at **72%** compared with **88%** in **2004**.

The year's performance is considered to be reasonable in light of the fact that there was no upgrade of capital equipment at a time when the competition was growing at rapid pace.

The Company saw reasonably good support from its private sector customers with actual sales surpassing budget even though by a mere seven percent (**7%**). Performance could have been much better if the exercise book contract with the Ministry of Education was completed. In addition, sales of the GNPL brand of exercise books fell short of the budgeted amount by approximately **45%**. The absence of the margin was a factor here.

### Equipment

In March of **2005** the services of an engineer from Schiebeler and Company (Germany) were contracted to assess the state of the exercise book machine and carry out minor adjustments as necessary. Upon his return to Germany the engineer submitted a report which recommended that the machine be

rehabilitated to the tune of **Euro 182,405** or approximately **(G)\$46M**. That report also informed that the machine was out-of-line by approximately **7mm** which the engineer considered to be nominal, however he was non-committal as to the effect on the performance of the machine. The Company was unable to meet the required outlay however a few of the more critical parts were changed during the latter part of the year.

A used plate making machine was purchased from another printer who had upgraded his equipment, at a cost of **\$500,000.00.**, this piece of equipment was previously loaned to the Company with the option of purchasing same.

### **Expenses**

Administrative expenses were reduced by approximately **13%** when compared with the **2004** figure. Wages and salaries were reduced by approximately **10%**.

### **Training**

Training of employees both theoretical and practical continued throughout the year. In-house job skill-training and training in Supervisory Management were intensified moreso because some of those skills were lost during the downsizing exercise in **December 2004**.

### **Industrial & Other Relations**

The industrial climate was fairly stable during the year, however during the first quarter Managers were hard pressed to manage a workforce which seemingly had difficulties responding to additional demands made upon them following the reduction in the workforce.

Workers, especially those on the factory floor were disheartened by the reduced order intake and as a result a group of seventeen (**17**) workers wrote the Board requesting that the Company should sever them because they saw no future in its existence. The Board and Management were able to quell this situation.

The Company continued to accommodate schools and other interested organizations who requested to visit to observe the Company's operations.

### **Legal Action**

The Company was taken to court by the Mayor and City Councillors (M&CC) for purportedly owing **\$81,277,935.00** with **\$47,051,757** being interest, for the period 1997 January to 2004 December. Judgement was granted to the M&CC when the matter was heard. GNPL however was of the view that the Company was being over-assessed and requested that the Chief Valuation Officer re-assesses the property. The re-assessment revealed that the Company was being assessed on property it did not own. resulting in the Company being asked to pay **\$4.5M** per annum instead of **\$1.4M**.

The National Industrial & Commercial Investments Limited (NICIL) intervened in the matter with the City Council, through the honourable Minister of Local Government.

The matter remained unresolved at the end of the year, however the Company commenced payment on the basis of a payment plan computed by **NICIL**.

### **Conclusion:**

The Company's modest success in 2005 is attributed to the indefatigable efforts of all workers and the confidence of those of our customers who despite the trying circumstances continued to patronize our business.



## *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.gov.gy>*

AG:23/2007

14 March 2007

**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 2005**

Chartered Accountants, Deloitte & Touche, have audited on my behalf the financial statements of Guyana National Printers Limited for the year ended 31 December 2005, as set out on pages 2 to 19. The audit was conducted in accordance with the Audit Act 2004.

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 Audit Act 2004, 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 opinion, as attached hereto, of Chartered Accountants, Deloitte & Touche.



**D. SHARMA**  
**AUDITOR GENERAL (ag.)**

**AUDIT OFFICE**  
**63 HIGH STREET**  
**KINGSTON**  
**GEORGETOWN**  
**GUYANA**

REPORT OF THE CHARTERED ACCOUNTANTS

DELOITTE & TOUCHE

TO THE AUDITOR GENERAL

ON THE FINANCIAL STATEMENTS OF

GUYANA NATIONAL PRINTERS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2005

We have audited the accompanying balance sheet of Guyana National Printers Limited as at 31 December 2005 and the related income statement, statements of changes in equity and cash flows for the year then ended as set out on pages 2 to 19. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with Audit Office'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 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.

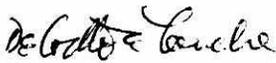
We were unable to verify the valuation for stock totalling G\$54,666,051 due to lack of supporting documentation. Also there was a write-off of G\$12,098,803 which could not be verified. We are therefore uncertain whether the stocks balance of G\$54,666,051 and cost of sales of G\$132,957,279 are fairly stated at 31 December 2005.

The necessary information was not provided for disclosures of the company's defined benefit pension plan as required by IAS 19 - Employee Benefits.

In our opinion, except for the matters mentioned in the preceding paragraphs, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2005 and of the results of its operations and cash flows for the year then ended 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 realization of assets and liquidation of liabilities in the normal course of business. However, as explained in Note 20 in 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.

We wish to further emphasise that the terms and conditions of the Government of Guyana loan was not made available to us. This loan is stated as a non-current, interest free liability in the financial statements of the company.

  
DELOITTE & TOUCHE  
CHARTERED ACCOUNTANTS

77 Brickdam,  
Stabroek, Georgetown,  
Guyana

February 28, 2007

GUYANA NATIONAL PRINTERS LIMITED  
 PROFIT AND LOSS ACCOUNT  
 FOR THE YEAR ENDED 31 DECEMBER 2005

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
		G\$	G\$
Revenue		184,716,752	175,843,115
Cost of sales		<u>(132,957,279)</u>	<u>(154,159,071)</u>
Gross profit		51,759,473	21,684,044
Other income	3	<u>1,960,423</u>	<u>2,047,961</u>
		53,719,896	23,732,005
Administrative expenses	4	<u>(44,081,535)</u>	<u>(50,500,939)</u>
Profit/(loss) before tax		9,638,361	(26,768,934)
Taxation	5	<u>(3,096,184)</u>	<u>(1,278,508)</u>
Profit/(loss) for the year		<u>6,542,177</u>	<u>(28,047,442)</u>
Earnings/(loss) per share in dollars	6	<u>23.24</u>	<u>(99.64)</u>

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

GUYANA NATIONAL PRINTERS LIMITED  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 31 DECEMBER 2005

	<u>Share capital</u>	<u>Accumulated earnings</u>	<u>Capital reserve</u>	<u>Total</u>
	G\$	G\$	G\$	G\$
Balance at 31 December 2003	2,814,850	42,819,055	12,873,199	58,507,104
Loss for the year	-	<u>(28,047,442)</u>	-	<u>(28,047,442)</u>
Balance at 31 December 2004	2,814,850	14,771,613	12,873,199	30,459,662
Profit for the year	-	<u>6,542,177</u>	-	<u>6,542,177</u>
Balance as at 31 December 2005	<u>2,814,850</u>	<u>21,313,790</u>	<u>12,873,199</u>	<u>37,001,839</u>

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

GUYANA NATIONAL PRINTERS LIMITED

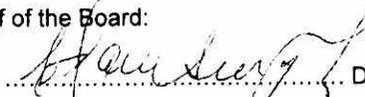
BALANCE SHEET

AT 31 DECEMBER 2005

	Notes	2005 G\$	2004 G\$
<b>Non Current Assets</b>			
Fixed assets	7	<u>8,865,462</u>	<u>5,664,192</u>
<b>Current assets</b>			
Inventories	8	54,666,051	55,360,229
Trade debtors	9(a)	16,948,220	13,855,563
Other debtors and prepayments	9(b)	1,961,916	1,337,211
Taxes recoverable		14,269,388	14,269,388
External payments deposits	10	100,977	100,977
Cash on hand and at bank		<u>42,011,877</u>	<u>69,061,997</u>
		<u>129,958,429</u>	<u>153,985,365</u>
<b>TOTAL ASSETS</b>		<u><u>138,823,891</u></u>	<u><u>159,649,557</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	12(a)	2,814,850	2,814,850
Accumulated earnings	13	21,313,790	14,771,613
Capital reserve	12(b)	<u>12,873,199</u>	<u>12,873,199</u>
		<u>37,001,839</u>	<u>30,459,662</u>
<b>Non-current liabilities</b>			
Loans	14	<u>25,807,272</u>	<u>25,807,272</u>
<b>Current liabilities</b>			
Trade creditors	15	12,474,275	7,173,509
Other creditors and accruals	11	19,353,486	16,172,579
Advance payments	16	31,534,696	38,384,450
Taxation		12,411,386	10,593,710
Bank overdraft (unsecured)	17	<u>240,937</u>	<u>31,058,375</u>
		<u>76,014,780</u>	<u>103,382,623</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>138,823,891</u></u>	<u><u>159,649,557</u></u>

These financial statements were approved by the Board of Directors on .....

On behalf of the Board:

 Director  
 Director  
 07-02-08

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

GUYANA NATIONAL PRINTERS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005

	<u>2005</u>	<u>2004</u>
	G\$	G\$
<b>Operating activities</b>		
Profit/(loss) before tax	9,638,361	(26,768,934)
Adjustment for:		
Depreciation	1,744,859	1,358,535
Fixed assets adjustment	(3,697,306)	-
Gain on disposal of fixed assets	-	(203,500)
	<hr/>	<hr/>
<b>Operating profit before working capital changes</b>	7,685,914	(25,613,899)
Decrease in stocks	694,178	28,451,384
(Increase)/decrease in debtors and prepayments	(3,717,362)	11,092,738
Increase/(decrease) in creditors and accruals	8,481,673	(12,356,794)
Increase/(decrease) in advance payments	(6,849,754)	3,238,338
	<hr/>	<hr/>
<b>Cash generated from operations</b>	(1,391,265)	4,811,767
Taxes paid	(1,278,508)	(4,681,601)
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	5,016,141	130,166
	<hr/>	<hr/>
<b>Investing activities:</b>		
Purchase of fixed assets	(1,248,823)	(526,439)
Proceeds from sale of fixed assets	-	203,500
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	(1,248,823)	(322,939)
	<hr/>	<hr/>
Increase/(decrease) in cash and cash equivalents	3,767,318	(192,773)
Cash and cash equivalents at beginning of year	38,003,622	38,196,395
	<hr/>	<hr/>
Cash and cash equivalents at end of year	<u>41,770,940</u>	<u>38,003,622</u>
	<hr/>	<hr/>
Comprising:		
Cash on hand and at bank	42,011,877	69,061,997
Bank overdraft	(240,937)	(31,058,375)
	<hr/>	<hr/>
	<u>41,770,940</u>	<u>38,003,622</u>
	<hr/>	<hr/>

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

# GUYANA NATIONAL PRINTERS LIMITED

## NOTES ON THE ACCOUNTS.

### 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. Summary of 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 adopted by the Institute of Chartered Accountants of Guyana.

#### (b) Revenue and expense recognition

Revenue and expense are recognized on an accrual basis.

#### (c) Fixed assets and depreciation

Freehold land and buildings held for use in the supply of services or for administrative purposes are stated in the balance sheet at their revalued amounts. Revalued amounts are taken as the fair value at the date of revaluation less any subsequent accumulated impairment losses.

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

# GUYANA NATIONAL PRINTERS LIMITED

## NOTES ON THE ACCOUNTS.

### 2. Summary of significant accounting policies – cont'd

#### (c) Fixed assets and depreciation – cont'd

Depreciation of other fixed 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% -11%
Motor vehicles	-	25%

The gain or loss arising on the disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

#### (d) Inventories

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

#### (e) Translation of foreign currencies

Transactions in foreign currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at the fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized directly in equity

# GUYANA NATIONAL PRINTERS LIMITED

## NOTES ON THE ACCOUNTS.

### 2. Summary of significant accounting policies – cont'd

#### (f) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted in Guyana at the balance sheet date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis. At December 31, 2005 deferred tax assets not taken up due to uncertainties with respect to recoverability was approximately G\$49,470,242 (2004 – G\$48,521,005).

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS.

2. Summary of significant accounting policies – cont'd

(g) Capital reserve

Surplus on revaluation of fixed assets (land and buildings) is credited to this account. This reserve is not distributable.

(h) Pension funding

The Company participates in a defined benefit pension plan for its employee's retirement benefits depending on length of service.

The contributions are held in trustee administered funds which are separate from the company's resources.

The plan covers all permanent employees. The last actuarial valuation was done as at 31 December 2003.

The valuation was done using the Projected Unit Credit Method, as required by the Standard and the company recognizes gains or losses immediately.

(i) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and at bank and bank overdraft.

(j) Fair value

The amount included in the financial statements for receivables and payables reflect their approximate fair value because of the short term maturity of these instruments.

(k) Use of estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

## GUYANA NATIONAL PRINTERS LIMITED

### NOTES ON THE ACCOUNTS.

#### 2. Summary of significant accounting policies – cont'd

In the current year the company adopted several revised and new standards that are now effective and relevant to its operations.

The adoption of the revised and new standards did not result in substantial changes to the company's financial statements.

#### POTENTIAL IMPACT OF CHANGES IN STANDARDS NOT YET EFFECTIVE

- (i) IAS 19 (Amendment), Employee Benefits (effective for annual periods beginning on or after 1 January 2006). This amendment introduces the option of an alternative recognition approach for actuarial gains and losses and introduces additional disclosures. The company will consider whether it will adopt this amendment in the financial year ending 31 December 2006.
- (ii) IFRS 7, Financial Instruments (effective for annual periods beginning on or after 1 January 2007). This standard will replace IAS 30, Disclosures in the financial statements of Banks and similar Financial Institutions, and the disclosure requirements of IAS 32, Financial Instruments: Disclosure and presentation. The standard will introduce new disclosures to improve information about financial instruments. IFRS 7 requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

#### IFRS 8 – Operating Segment

This becomes effective for period beginning on or after January 1, 2009.

IFRS 8 replaces IAS 14 Segment reporting. IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by chief operating decision maker in deciding how to allocate resources and in assessing performance.

Other standards and interpretations issued but not yet effective are not expected to have a material impact on the company's financial statements when adopted.

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

	<u>2005</u>	<u>2004</u>
	G\$	G\$
3 Other income		
Bad debts recovered	467,380	-
Interest income	1,118,391	1,704,109
Gain on exchange	77,235	-
Others	<u>297,417</u>	<u>343,852</u>
	<u>1,960,423</u>	<u>2,047,961</u>
4 Administrative expenses		
Employment cost:		
Salaries and wages	15,768,419	17,546,949
Pensions	1,073,342	1,306,671
Others staff cost	<u>4,720,343</u>	<u>19,620,896</u>
	21,562,104	38,474,516
Administrative expenses	19,133,372	9,092,762
Depreciation (a)	1,744,859	1,358,535
Auditor's remuneration	1,010,000	925,000
Interest	1,200	31,794
Directors' emoluments (b)	<u>630,000</u>	<u>618,332</u>
	<u>44,081,535</u>	<u>50,500,939</u>
(a) Depreciation charges		
Administration	1,568,517	1,358,535
Overhead	<u>176,342</u>	<u>-</u>
	<u>1,744,859</u>	<u>1,358,535</u>
(b) Directors' emoluments		
F.Amin	45,000	90,000
C.Ramsingh	90,000	90,000
R.Forde	-	30,000
M.Sahadeo	90,000	90,000
A.Collins	45,000	7,500
N. John	-	7,500
C.Belgrave	90,000	82,500
D.Grenardo	90,000	82,500
M.Gordon	90,000	55,832
P.Boyce	<u>90,000</u>	<u>82,500</u>
	<u>630,000</u>	<u>618,332</u>

GUYANA NATIONAL PRINTERS LIMITED  
NOTES ON THE ACCOUNTS

5	Taxation				
		<u>2005</u>		<u>2004</u>	
		G\$		G\$	
	Property tax	1,500,960		1,278,508	
	Corporation tax	1,411,288		-	
	Prior period adjustment	<u>183,936</u>		<u>-</u>	
		<u>3,096,184</u>		<u>1,278,508</u>	
		<u>2005</u>	%	<u>2004</u>	%
		G\$		G\$	
	Reconciliation of tax expenses and accounting profit				
	Accounting profit/(loss)	<u>9,638,361</u>	<u>100.0</u>	<u>(26,768,934)</u>	<u>100.0</u>
	Corporation tax at 35%	3,373,426	35.0	(9,369,127)	(35.0)
	Add:				
	Tax effect of expenses not deductible in determining taxable profit				
	Depreciation for accounting purposes	610,701	6.3	693,400	2.6
	Others	<u>31,038</u>	<u>0.3</u>	<u>30,000</u>	<u>0.1</u>
		4,015,165	41.6	(8,645,727)	(32.3)
	Deduct:				
	Tax effect of depreciation for tax purposes	774,192	8.0	1,079,465	4.0
	Gain on disposal of fixed assets	-	-	596,438	2.2
	Other	<u>418,399</u>	<u>4.4</u>	<u>-</u>	<u>-</u>
		2,822,574	29.2	(10,321,630)	(38.5)
	Loss relief	<u>(1,411,287)</u>	<u>(14.6)</u>	<u>-</u>	<u>-</u>
	Corporation tax	<u>1,411,287</u>	<u>14.6</u>	<u>(10,321,630)</u>	<u>(38.50)</u>
		<u>2005</u>		<u>2004</u>	
		G\$		G\$	
6	Earnings/(loss) per share				
	Profit/(loss) for the year after taxation	<u>6,542,177</u>		<u>(28,047,442)</u>	
	Number of shares issued	<u>281,485</u>		<u>281,485</u>	
	Earnings/(loss) per share in dollars	<u>23.24</u>		<u>(99.64)</u>	

**GUYANA NATIONAL PRINTERS LIMITED**  
**NOTES ON THE ACCOUNTS**

7 Fixed assets

	<u>Land and building</u>		Plant, machinery and <u>equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	<u>Freehold</u>	<u>Leasehold</u>			
	G\$	G\$			
(a) Cost/valuation					
At 1 January 2005	8,259,956	957	59,949,592	6,916,015	75,126,520
Additions	-	-	1,248,823	-	1,248,823
At 31 December 2005	<u>8,259,956</u>	<u>957</u>	<u>61,198,415</u>	<u>6,916,015</u>	<u>76,375,343</u>
Depreciation					
At 1 January 2005	3,595,647	162	59,450,504	6,416,015	69,462,328
Charge for the year	156,378	-	1,088,481	500,000	1,744,859
Adjustment	-	-	(3,697,306)	-	(3,697,306)
At 31 December 2005	<u>3,752,025</u>	<u>162</u>	<u>56,841,679</u>	<u>6,916,015</u>	<u>67,509,881</u>
Net book values:					
At 31 December 2005	<u>4,507,931</u>	<u>795</u>	<u>4,356,736</u>	<u>-</u>	<u>8,865,462</u>
At 31 December 2004	<u>4,664,309</u>	<u>795</u>	<u>499,088</u>	<u>500,000</u>	<u>5,664,192</u>

- (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 when revaluation was done by professional valuers. The surplus on the revaluation has been credited to capital reserve.

8 Inventories

	<u>2005</u> G\$	<u>2004</u> G\$
Raw materials	21,401,715	18,917,254
Finished goods	22,883,006	16,926,965
Work-in-progress	10,381,330	13,093,736
Goods in transit	-	6,422,274
	<u>54,666,051</u>	<u>55,360,229</u>

GUYANA NATIONAL PRINTERS LIMITED  
NOTES ON THE ACCOUNTS

	<u>2005</u> G\$	<u>2004</u> G\$
9 (a) Trade debtors		
Trade debtors	21,949,818	18,432,782
Less: Provision for bad debts (i)	<u>5,001,598</u>	<u>4,577,219</u>
At 31 December	<u>16,948,220</u>	<u>13,855,563</u>
(i) At 1 January	4,577,219	4,911,946
Provision for the year	<u>424,379</u>	<u>(334,727)</u>
At 31 December	<u>5,001,598</u>	<u>4,577,219</u>
 (b) Other debtors and prepayments		
Prepayments	318,190	317,731
Other debtors	<u>1,643,726</u>	<u>1,019,480</u>
	<u>1,961,916</u>	<u>1,337,211</u>
 10 External payments deposits	 <u>100,977</u>	 <u>100,977</u>
<p>These represents 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 awaiting premission from Bank of Guyana to remit to foreign suppliers.</p>		
 11 Other creditors and accruals		
	<u>2005</u> G\$	<u>2004</u> G\$
Accruals	13,348,200	9,167,293
Other creditors	<u>6,005,286</u>	<u>7,005,286</u>
	<u>19,353,486</u>	<u>16,172,579</u>

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

12 Share capital		
	<u>2005</u>	<u>2004</u>
(a) Authorised		
Number of ordinary shares	<u>300,000</u>	<u>300,000</u>
	G\$	G\$
Issued and fully paid		
281,485 ordinary shares	<u>2,814,850</u>	<u>2,814,850</u>
(b) Capital reserve		
At 1 January and 31 December	<u>12,873,199</u>	<u>12,873,199</u>
13 Accumulated earnings		
Balance at 1 January	14,771,613	42,819,055
Movement for the year	<u>6,542,177</u>	<u>(28,047,442)</u>
Balance at 31 December	<u>21,313,790</u>	<u>14,771,613</u>
14 Loan		
Ministry of Finance	<u>25,807,272</u>	<u>25,807,272</u>
<p>This represents monies borrowed from the Government of Guyana for which the terms and agreement are yet to be finalised.</p>		
15 Trade creditors		
	<u>2005</u>	<u>2004</u>
	G\$	G\$
Local	7,891,299	6,001,671
Foreign	<u>4,582,976</u>	<u>1,171,838</u>
	<u>12,474,275</u>	<u>7,173,509</u>
16 Advance payments		
Local	<u>31,534,696</u>	<u>38,384,450</u>

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

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

	<u>2005</u> G\$	<u>2004</u> G\$
17 Bank overdraft	<u>240,937</u>	<u>31,058,375</u>
Interest rate	<u>19.25</u>	<u>19.25</u>

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

18 Financial risk management

(a) Price risk

(i) 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.

	<u>2005</u>				<u>Total</u>	<u>2004</u>
	<u>T&amp;T\$</u>	<u>Sterling</u>	<u>Euro</u>	<u>US\$</u>	<u>G\$</u>	<u>G\$</u>
Assets	<u>-</u>	<u>2,291</u>	<u>2,937</u>	<u>2,224</u>	<u>2,071,788</u>	<u>5,306,843</u>
Liabilities	<u>35,164</u>	<u>-</u>	<u>-</u>	<u>16,778</u>	<u>4,583,217</u>	<u>4,135,049</u>

(ii) 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

(b) Credit risk

The company faces credit risk in respect of its receivables. However, this risk is controlled by close monitoring of these assets by the company. The maximum credit risk faced by the company is the balance reflected in the financial statements.

GUYANA NATIONAL PRINTERS LIMITED'

NOTES ON THE ACCOUNTS

18 Financial risk management - cont'd

(c) Interest rate risk

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.

	Maturing			Total G\$
	2005			
	Within 1 year G\$	Over 1 year G\$	Non interest bearing	
<b>Assets</b>				
Trade debtors	-	-	16,948,220	16,948,220
Other debtors and prepayments	-	-	1,961,917	1,961,917
External payment deposits	-	-	100,977	100,977
Cash at bank and on hand	42,011,877	-	-	42,011,877
	<u>42,011,877</u>	<u>-</u>	<u>19,011,114</u>	<u>61,022,991</u>
<b>Liabilities</b>				
Loans	-	25,807,272	-	25,807,272
Trade creditors	-	-	12,474,275	12,474,275
Other creditors and accruals	-	-	19,353,486	19,353,486
Advance payments	-	-	31,534,695	31,534,695
Bank overdraft	240,937	-	-	240,937
	<u>240,937</u>	<u>25,807,272</u>	<u>63,362,456</u>	<u>89,410,665</u>
Interest sensitivity gap	<u>41,770,940</u>	<u>(25,807,272)</u>		
<b>Maturing 2004</b>				
	Within 1 year G\$	Over 1 year G\$	Non interest bearing	Total G\$
<b>Assets</b>				
Trade debtors	-	-	13,855,563	13,855,563
Other debtors and prepayments	-	-	1,337,211	1,337,211
External payment deposits	-	-	100,977	100,977
Cash at bank and on hand	69,061,996	-	-	69,061,996
	<u>69,061,996</u>	<u>-</u>	<u>15,293,751</u>	<u>84,355,747</u>
<b>Liabilities</b>				
Loans	-	25,807,272	-	25,807,272
Trade creditors	-	-	7,173,509	7,173,509
Other creditors and accruals	-	-	16,172,579	16,172,579
Advance payment	-	-	38,384,450	38,384,450
Bank overdraft	31,058,375	-	-	31,058,375
	<u>31,058,375</u>	<u>25,807,272</u>	<u>61,730,538</u>	<u>118,596,185</u>
Interest sensitivity gap	<u>38,003,621</u>	<u>(25,807,272)</u>		

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

18 Financia risk management - cont'd

(d) 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.

	1 to 12 months G\$	Over 12 months G\$	Total G\$
<b>At 31 December 2005</b>			
Assets	129,958,429	-	129,958,429
Liabilities	<u>(76,355,313)</u>	<u>(25,807,272)</u>	<u>(102,162,585)</u>
	<u>53,603,116</u>	<u>(25,807,272)</u>	<u>27,795,844</u>
<b>At 31 December 2004</b>			
Assets	153,985,364	-	153,985,364
Liabilities	<u>(103,382,622)</u>	<u>(25,807,272)</u>	<u>(129,189,894)</u>
	<u>50,602,742</u>	<u>(25,807,272)</u>	<u>24,795,470</u>

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

19 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>2005</u> G\$	<u>2004</u> G\$
<b>Key management personnel</b>		
(i) Compensation		
The company key management personnel comprises of its Chief Executive Officer and Managers. The remuneration paid to key management personnel for the year was as follows:-		
Short-term employee benefits	<u>10,024,469</u>	<u>9,818,993</u>
Post-employment benefits	<u>423,394</u>	<u>465,815</u>
(ii) Loan - Mr. D. Collins		
Balance at end of year	<u>40,000</u>	<u>-</u>
Interest income	<u>7,917</u>	<u>-</u>

Interest is charged at a rate of 16% per annum.

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