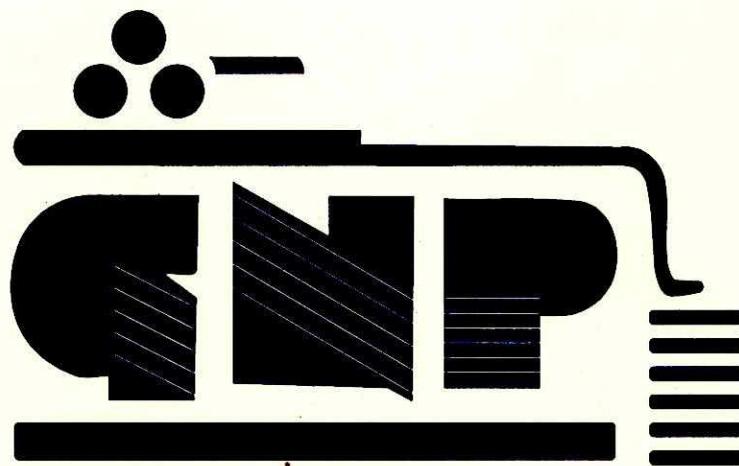


GUYANA NATIONAL PRINTERS LIMITED



Annual Report
2006

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

Cecil	Ramsingh	- Chairman
Aubrey	Collins	
Cyril	Belgrave	
Michael	Gordon	
Percival	Boyce (Jnr)	
Maharajia	Sahadeo	
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 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 **24th 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 **2006 December 31**, and the reports of the Directors and Auditors thereon.
2. To approve dividends in respect of the year ended **2006 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:-

Performance

Sales in **2006** totalled **\$265M** compared with a **2005** performance of **\$184.7M**. This 2006 performance represents an increase of **43%** over that of the previous year.

A pre-tax profit of **\$47.9M** was realized, an increase of approximately **396%** over the 2005 figure of **\$9.6M**.

Profits retained for the year ending **2006 December 31**, was **\$38M** compared with **\$6.5M** for the previous year. Due to this unprecedented performance the Company was able to retain approximately six (**6**) times the profits retained in **2005**. The ratio of earnings retained to every dollar of shareholder's equity is as follows:-

<u>2006</u>	<u>2005</u>
\$13.50:1	\$2.35:1

It should be noted that most listed companies consider a **\$1; \$1** ratio as normal.

The job of printing the voters list and various stationery and registers for general elections, was the main contributory factor for the record breaking performance.

Equipment

There was no addition to equipment during 2006. The main presses and Exercise Book machine proved to be somewhat troublesome throughout the year and the factory was challenged to process customers' orders on a timely basis and of a consistently high quality.

Expenses

Administrative expenses were reduced by **\$4.4M** or approximately **10%**, as against the 2005 figure however employment cost revealed an increase of **\$1.7M** or **8%**. This increase was attributed to a five percent (**5%**) increment paid to all categories of employees and also payments made to employees for extra-ordinary hours worked in order to satisfy the demands of the Guyana Elections Commission.

Training

Training both theoretical and practical, continued during the year with employees at all levels benefiting. Workers were exposed to programmes which dealt with “Business Communication, Letter and Report Writing, Effective Management and Human Relations in Industry” among others.

Industrial & Other Relations

The Industrial Relations climate remained stable throughout the year with the management and union taking every opportunity to promote conditions conducive to production.

The Company continued to accommodate schools and other organizations which were desirous of visiting the Plant so as to observe the printing process. We also continued with the donation of certificates, exercise books, off-cuts, etc to schools and other non-profitable organization.

Legal Action:

The matter with the Mayor and City Councillors regarding the sum of **\$81,277,935** allegedly owed as rates and taxes and penalties remained unresolved at **2006 December 31**.

The Company has however paid off the taxes payable as per the re-assessed value, following a revaluation carried out by the Chief Valuation Officer.

On behalf of the Board of Directors, I once again thank our managers and staff for their valuable contribution and determination to ensure that the

doors of Guyana National Printers Limited remain open. **I also say
'thanks' to our valued customers and friends for supporting us.**



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: 37/2008

23 May 2008

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 2006

I have audited the financial statements of the Guyana National Printers Limited for the year ended 31 December 2006, as set out on pages 2 to 19. These statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies as set out on page 6.

Respective Responsibilities of Management and Auditors

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

Basis of Opinion.

I conducted my audit in accordance with generally accepted auditing standards, including those of the International Organisation of Supreme Audit Institutions (INTOSAI) and the International Federation of Accountants (IFAC). Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

Qualified Opinion Arising From Limitation in Scope and Uncertainty

In 2002 the company received a tax liability statement of G\$196,047,147 from the Guyana Revenue Authority which was not settled or provided for. The company is disputing this liability but is unable to provide valid objections for each year in dispute. We are therefore unable to express an opinion on the tax recoverable of G\$17,863,975 and tax payable of G\$20,672,069.

The company did not accrue for interest and penalty on outstanding taxes as stated above. We are therefore unable to ascertain whether the liability and profit for the year is correctly stated.

The necessary information was not provided for the disclosures of the company's defined benefit pension plan as required by IAS 19 - Employee benefits. In our opinion, as a result of this the company did not comply with IAS 19 - Employee benefits and therefore did not comply with IFRS.

Except for these matters, 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 2006 and of its financial performance and its cash flows for the year then ended in conformity with International Financial Reporting Standards and the Companies Act 1991.

Without further qualifying our opinion, we wish to emphasise 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 19 in 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 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.


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 2006

Report on the Financial Statements

We have audited the accompanying financial statements of Guyana National Printers Limited which comprise the balance sheet as at 31 December 2006 and the income statement, statements of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 2 to 19.

Directors'/Management's Responsibility for the Financial Statements

The Directors/ Management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Auditor's Responsibility – cont'd

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

Opinion

In 2002 the company received a tax liability statement of G\$196,047,147 from the Guyana Revenue Authority which was not settled or provided for.

The company is disputing this liability but is unable to provide valid objections for each year in dispute. We are therefore unable to express an opinion on the tax recoverable of G\$17,863,975 and tax payable of G\$20,672,069.

The company did not accrue for interest and penalty on outstanding taxes as stated above. We are therefore unable to ascertain whether the liability and profit for the year is correctly stated.

The necessary information was not provided for the disclosures of the company's defined benefit pension plan as required by IAS 19 – Employee benefits. In our opinion, as a result of this the company did not comply with IAS 19 – Employee benefits and therefore did not comply with IFRS.

Except for these matters, 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 2006 and of its financial performance and its cash flows for the year then ended

Emphasis

Without further qualifying our opinion, we wish to emphasise 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 19 in 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 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.

Report on Other Legal and Regulatory Requirements

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



DELOITTE & TOUCHE
CHARTERED ACCOUNTANTS

May 16, 2008

77 Brickdam,
Stabroek, Georgetown,
Guyana

GUYANA NATIONAL PRINTERS LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 2006

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
		G\$	G\$
Revenue		265,201,782	184,716,752
Cost of sales		<u>(178,992,376)</u>	<u>(132,957,279)</u>
Gross profit		86,209,406	51,759,473
Other income	3	<u>1,316,995</u>	<u>1,960,423</u>
		87,526,401	53,719,896
Administrative expenses	4	<u>(39,627,972)</u>	<u>(44,081,535)</u>
Profit before tax		47,898,429	9,638,361
Taxation	5	<u>(9,885,157)</u>	<u>(3,096,184)</u>
Profit for the year		<u><u>38,013,272</u></u>	<u><u>6,542,177</u></u>
Earnings per share in dollars	6	<u><u>135.05</u></u>	<u><u>23.24</u></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 2006

	<u>Share capital</u>	<u>Accumulated earnings</u>	<u>Capital reserve</u>	<u>Total</u>
	G\$	G\$	G\$	G\$
Balance at 31 December 2004	2,814,850	14,771,613	12,873,199	30,459,662
Profit for the year	<u>-</u>	<u>6,542,177</u>	<u>-</u>	<u>6,542,177</u>
Balance at 31 December 2005	2,814,850	21,313,790	12,873,199	37,001,839
Profit for the year	<u>-</u>	<u>38,013,272</u>	<u>-</u>	<u>38,013,272</u>
Balance at 31 December 2006	<u>2,814,850</u>	<u>59,327,062</u>	<u>12,873,199</u>	<u>75,015,111</u>

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

GUYANA NATIONAL PRINTERS LIMITED

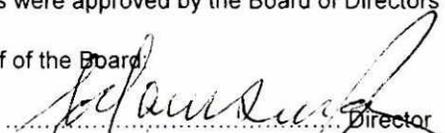
BALANCE SHEET

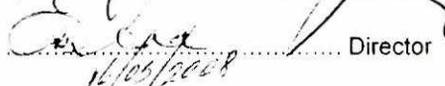
AT 31 DECEMBER 2006

	<u>Notes</u>	<u>2006</u> G\$	<u>2005</u> G\$
Non Current Assets			
Fixed assets	7	<u>8,632,953</u>	<u>8,865,462</u>
Current assets			
Inventories	8	77,310,179	54,666,051
Trade debtors	9(a)	22,401,910	16,948,220
Other debtors and prepayments	9(b)	1,606,229	1,961,916
Taxes recoverable		17,863,975	14,269,388
External payments deposits	10	100,977	100,977
Cash on hand and at bank		<u>41,583,152</u>	<u>42,011,877</u>
		<u>160,866,422</u>	<u>129,958,429</u>
TOTAL ASSETS		<u><u>169,499,375</u></u>	<u><u>138,823,891</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12(a)	2,814,850	2,814,850
Accumulated earnings		59,327,062	21,313,790
Capital reserve	12(b)	<u>12,873,199</u>	<u>12,873,199</u>
		<u>75,015,111</u>	<u>37,001,839</u>
Non-current liabilities			
Loans	13	<u>25,807,272</u>	<u>25,807,272</u>
Current liabilities			
Trade creditors	14	9,952,717	12,474,275
Other creditors and accruals	11	17,132,920	19,353,486
Advance payments	15	18,589,381	31,534,696
Taxation		20,672,069	12,411,386
Bank overdraft (unsecured)	16	<u>2,329,905</u>	<u>240,937</u>
		<u>68,676,992</u>	<u>76,014,780</u>
TOTAL EQUITY AND LIABILITIES		<u><u>169,499,375</u></u>	<u><u>138,823,891</u></u>

These financial statements were approved by the Board of Directors on

On behalf of the Board


..... Director


..... Director

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

GUYANA NATIONAL PRINTERS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	<u>2006</u> G\$	<u>2005</u> G\$
Operating activities		
Profit before tax	47,898,429	9,638,361
Adjustment for:		
Depreciation	1,364,786	1,744,859
Fixed assets adjustment	<u>-</u>	<u>(3,697,306)</u>
Operating profit before working capital changes	49,263,215	7,685,914
(Increase)/decrease in inventories	(22,644,128)	694,178
Increase in debtors and prepayments	(5,098,003)	(3,717,362)
Increase/(decrease) in creditors and accruals	(4,742,124)	8,481,673
Decrease in advance payments	<u>(12,945,315)</u>	<u>(6,849,754)</u>
Cash generated from operations	3,833,645	6,294,649
Taxes paid	<u>(5,219,061)</u>	<u>(1,278,508)</u>
Net cash provided by/(used in) operating activities	<u>(1,385,416)</u>	<u>5,016,141</u>
Investing activities:		
Purchase of fixed assets	<u>(1,132,277)</u>	<u>(1,248,823)</u>
Net cash used in investing activities	<u>(1,132,277)</u>	<u>(1,248,823)</u>
Increase/(decrease) in cash and cash equivalents	(2,517,693)	3,767,318
Cash and cash equivalents at beginning of year	<u>41,770,940</u>	<u>38,003,622</u>
Cash and cash equivalents at end of year	<u><u>39,253,247</u></u>	<u><u>41,770,940</u></u>
Comprising:		
Cash on hand and at bank	41,583,152	42,011,877
Bank overdraft	<u>(2,329,905)</u>	<u>(240,937)</u>
	<u><u>39,253,247</u></u>	<u><u>41,770,940</u></u>

"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.

Basis of preparation

During the year new and revised standards and interpretations came into effect.

Of relevance to the Company are:

Amendments to the following Standards:

IAS 19 – Employee Benefits

IAS 39 – Financial Instruments – Recognition and Measurement

The effect of adopting IAS 19, IAS 39, and amendments had no material effect on the Company's accounting policies.

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS.

2. Summary of significant accounting policies – cont'd

(a) Accounting convention – cont'd

Potential impact of changes in standards not yet effective:

IFRS 7 – Financial Instruments

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 1 January 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 the chief operating decision makers in deciding how to allocate resources and in assessing performance.

Amendment was made to IAS 1 Presentation of Financial Statements as relates to Capital Disclosures which became effective 1 January 2007. This standard would require additional disclosures on the Company's share capital.

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.

2. Summary of significant accounting policies – cont'd

(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.

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\$69,708,228 (2005 – G\$78,402,772).

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

	<u>2006</u> G\$	<u>2005</u> G\$
3 Other income		
Bad debts recovered	-	467,380
Interest income	944,958	1,118,391
Gain/(loss) on exchange	(81,591)	77,235
Others	453,628	297,417
	<u>1,316,995</u>	<u>1,960,423</u>
4 Administrative expenses		
Employment cost:		
Salaries and wages	17,117,066	15,768,419
Pensions	1,267,016	1,073,342
Others staff cost	4,897,738	4,720,343
	<u>23,281,820</u>	<u>21,562,104</u>
Administrative expenses	13,415,451	19,309,714
Depreciation (a)	977,257	1,568,517
Auditor's remuneration	1,212,200	1,010,000
Interest	2,400	1,200
Directors' emoluments (b)	660,000	630,000
Bad debts	78,844	-
	<u>39,627,972</u>	<u>44,081,535</u>
(a) Depreciation charges		
Administration	977,257	1,568,517
Overhead	387,529	176,342
	<u>1,364,786</u>	<u>1,744,859</u>
(b) Directors' emoluments		
F.Amin	-	45,000
C.Ramsingh	120,000	90,000
M.Sahadeo	90,000	90,000
A.Collins	90,000	45,000
C.Belgrave	90,000	90,000
D.Grenardo	90,000	90,000
M.Gordon	90,000	90,000
P.Boyce	90,000	90,000
	<u>660,000</u>	<u>630,000</u>

GUYANA NATIONAL PRINTERS LIMITED
NOTES ON THE ACCOUNTS

5 Taxation

	<u>2006</u>		<u>2005</u>	
	G\$		G\$	
Property tax	1,780,573		1,500,960	
Corporation tax	8,104,584		1,411,288	
Prior period adjustment	-		183,936	
	<u>9,885,157</u>		<u>3,096,184</u>	
	<u>2006</u>		<u>2005</u>	
	G\$	%	G\$	%
Reconciliation of tax expenses and accounting profit				
Accounting profit	<u>47,898,429</u>	<u>100.0</u>	<u>9,638,361</u>	<u>100.0</u>
Corporation tax at 35%	16,764,449	35.0	3,373,426	35.0
Add:				
Tax effect of expenses not deductible in determining taxable profit				
Depreciation for accounting purposes	477,675	1.0	610,701	6.3
Others	<u>20,195</u>	<u>-</u>	<u>31,038</u>	<u>0.3</u>
	17,262,319	36.0	4,015,165	41.6
Deduct:				
Tax effect of depreciation for tax purposes	690,296	1.4	774,192	8.0
Other	<u>362,855</u>	<u>0.8</u>	<u>418,399</u>	<u>4.4</u>
Loss relief	16,209,168	33.8	2,822,574	29.2
	<u>(8,104,584)</u>	<u>(16.9)</u>	<u>(1,411,286)</u>	<u>(14.6)</u>
Corporation tax	<u>8,104,584</u>	<u>16.9</u>	<u>1,411,288</u>	<u>14.6</u>

	<u>2006</u>	<u>2005</u>
	G\$	G\$
6 Earnings per share		
Profit for the year after taxation	<u>38,013,272</u>	<u>6,542,177</u>
Number of shares issued	<u>281,485</u>	<u>281,485</u>
Earnings per share in dollars	<u>135.05</u>	<u>23.24</u>

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

7 Fixed assets

	<u>Land and building</u>		Plant, machinery and equipment	Motor vehicles	Total
	<u>Freehold</u>	<u>Leasehold</u>			
	G\$	G\$			
(a) Cost/valuation					
At 1 January 2006	8,259,956	957	61,198,415	6,916,015	76,375,343
Additions	-	-	1,132,277	-	1,132,277
At 31 December 2006	<u>8,259,956</u>	<u>957</u>	<u>62,330,692</u>	<u>6,916,015</u>	<u>77,507,620</u>
Depreciation					
At 1 January 2006	3,752,025	162	56,841,679	6,916,015	67,509,881
Charge for the year	<u>156,378</u>	<u>-</u>	<u>1,208,408</u>	<u>-</u>	<u>1,364,786</u>
At 31 December 2006	<u>3,908,403</u>	<u>162</u>	<u>58,050,087</u>	<u>6,916,015</u>	<u>68,874,667</u>
Net book values:					
At 31 December 2006	<u>4,351,553</u>	<u>795</u>	<u>4,280,605</u>	<u>-</u>	<u>8,632,953</u>
At 31 December 2005	<u>4,507,931</u>	<u>795</u>	<u>4,356,736</u>	<u>-</u>	<u>8,865,462</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>2006</u>	<u>2005</u>
	G\$	G\$
Raw materials	43,530,949	21,401,715
Finished goods	16,676,010	22,883,006
Work-in-progress	<u>17,103,220</u>	<u>10,381,330</u>
	<u>77,310,179</u>	<u>54,666,051</u>

GUYANA NATIONAL PRINTERS LIMITED
NOTES ON THE ACCOUNTS

	<u>2006</u> G\$	<u>2005</u> G\$
9 (a) Trade debtors		
Trade debtors	26,705,094	21,949,818
Less: Provision for bad debts (i)	<u>4,303,184</u>	<u>5,001,598</u>
At 31 December	<u>22,401,910</u>	<u>16,948,220</u>
(i) At 1 January	5,001,598	4,577,219
Provision for the year	<u>(698,414)</u>	<u>424,379</u>
At 31 December	<u>4,303,184</u>	<u>5,001,598</u>
(b) Other debtors and prepayments		
Prepayments	317,049	318,190
Other debtors	<u>1,289,180</u>	<u>1,643,726</u>
	<u>1,606,229</u>	<u>1,961,916</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>2006</u> G\$	<u>2005</u> G\$
Accruals	12,622,889	13,348,200
Other creditors	<u>4,510,031</u>	<u>6,005,286</u>
	<u>17,132,920</u>	<u>19,353,486</u>

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

12 Share capital		
	<u>2006</u>	<u>2005</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 Loan

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 agreement are yet to be finalised.

14 Trade creditors

	<u>2006</u>	<u>2005</u>
	G\$	G\$
Local	7,945,636	7,891,299
Foreign	<u>2,007,081</u>	<u>4,582,976</u>
	<u>9,952,717</u>	<u>12,474,275</u>

15 Advance payments

Local	<u>18,589,381</u>	<u>31,534,696</u>
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This represents amounts received for jobs to be done on behalf of various customers.

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

	<u>2006</u> G\$	<u>2005</u> G\$
16 Bank overdraft	<u>2,329,905</u>	<u>240,937</u>
Interest rate	<u>18.25</u>	<u>19.25</u>

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

17 Financial risk management

(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

(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>2006</u>				<u>Total</u> G\$	<u>2005</u> G\$
	<u>T&T\$</u>	<u>Sterling</u>	<u>Euro</u>	<u>US\$</u>		
Assets	<u>-</u>	<u>339</u>	<u>9,215</u>	<u>2,672</u>	<u>2,966,252</u>	<u>2,071,788</u>
Liabilities	<u>36,799</u>	<u>-</u>	<u>-</u>	<u>106,230</u>	<u>22,562,917</u>	<u>4,583,217</u>

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

17 Financial risk management - cont'd

(a) Market risk - cont'd

(ii) 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\$
	2006			
	Within 1 year G\$	Over 1 year G\$	Non interest bearing G\$	
Assets				
Trade debtors	-	-	22,401,910	22,401,910
Other debtors and prepayments	-	-	1,606,229	1,606,229
External payment deposits	-	-	100,977	100,977
Cash at bank and on hand	41,583,152	-	-	41,583,152
	<u>41,583,152</u>	<u>-</u>	<u>24,109,116</u>	<u>65,692,268</u>
Liabilities				
Loans	-	25,807,272	-	25,807,272
Trade creditors	-	-	9,952,717	9,952,717
Other creditors and accruals	-	-	17,132,920	17,132,920
Advance payments	-	-	18,589,381	18,589,381
Bank overdraft	2,329,905	-	-	2,329,905
	<u>2,329,905</u>	<u>25,807,272</u>	<u>45,675,018</u>	<u>73,812,195</u>
Interest sensitivity gap	<u>39,253,247</u>	<u>(25,807,272)</u>		
	Maturing			Total G\$
	2005			
	Within 1 year G\$	Over 1 year G\$	Non interest bearing G\$	
Assets				
Trade debtors	-	-	16,948,220	16,948,220
Other debtors and prepayments	-	-	1,961,916	1,961,916
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>19,011,113</u>	<u>61,022,990</u>
Liabilities				
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 payment	-	-	31,534,696	31,534,696
Bank overdraft	240,937	-	-	240,937
	<u>240,937</u>	<u>25,807,272</u>	<u>63,362,457</u>	<u>89,410,666</u>
Interest sensitivity gap	<u>41,770,940</u>	<u>(25,807,272)</u>		

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

17 Financia risk management - cont'd

(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.

(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>1 to 12</u> <u>months</u> G\$	<u>Over 12</u> <u>months</u> G\$	<u>Total</u> G\$
At 31 December 2006			
Assets	160,866,422	-	160,866,422
Liabilities	<u>(68,676,993)</u>	<u>(25,807,272)</u>	<u>(94,484,265)</u>
	<u>92,189,429</u>	<u>(25,807,272)</u>	<u>66,382,157</u>
At 31 December 2005			
Assets	129,958,429	-	129,958,429
Liabilities	<u>(76,014,780)</u>	<u>(25,807,272)</u>	<u>(101,822,052)</u>
	<u>53,943,649</u>	<u>(25,807,272)</u>	<u>28,136,377</u>

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

18 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>2006</u> G\$	<u>2005</u> G\$
(i) Balances with Ministries and other Government agencies		
Due from	<u>20,266,353</u>	<u>13,330,059</u>
Due to	<u>(16,531,180)</u>	<u>(28,861,713)</u>
Key management personnel		
(ii) 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>11,044,649</u>	<u>10,024,469</u>
Post-employment benefits	<u>402,900</u>	<u>423,394</u>
(iii) Loan - Mr. D. Collins		
Balance at end of year	<u>-</u>	<u>40,000</u>
Interest income	<u>(2,917)</u>	<u>7,917</u>
Interest is charged at a rate of 16% per annum.		
(iv) Directors emoluments (note 4 (b))	<u>660,000</u>	<u>630,000</u>

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