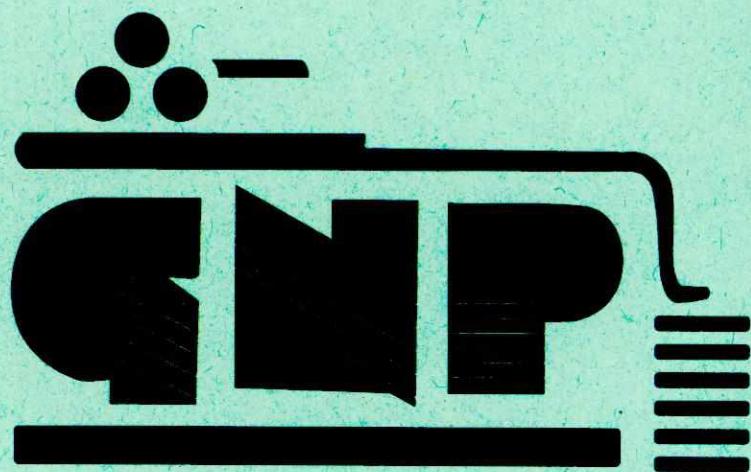


GUYANA NATIONAL PRINTERS LIMITED



**Annual Report
2008**

<u>Contents</u>	<u>Page</u>
Corporate Information	ii
Notice of Annual General Meeting	iii
Chairman's Report	iv - vi
Report of the Auditor General	vii - viii
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 - 23

CORPORATE INFORMATION

BOARD OF DIRECTORS

Cecil	Ramsingh	- Chairman
Cyril	Belgrave	
Percival	Boyce (Jnr)	
Clive	Harrison	
Mark	Harris	
Mazrul	Bacchus	
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	- (resigned)
Shawn	Victorine	- Finance Manager (ag)

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 **28th 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 **2008 December 31**, and the reports of the Directors and Auditors thereon.
2. To approve dividends in respect of the year ended **2008 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


Marilyn Nedd (Mrs)
Company Secretary
GUYANA NATIONAL PRINTERS LIMITED

CHAIRMAN'S REPORT

I have great pleasure in presenting the Annual Report for the year ended **2008 December 31.**

Performance

The Guyana National Printers Limited recorded a pre tax profit of **\$12.3M** compared with **\$25.3M** in 2007. Sales of **\$220M** were recorded for the year compared with **\$218.7M** for 2007.

Cost-of-Sales were recorded at **83%** of sales as against **75%** reported for 2007. This increase was mainly as a direct result of increases in price of raw materials caused by the steep increases in the price of fuel on the world market. In addition, in order to remain competitive, GNPL was forced to reduce the mark-up on some of its products.

Employment cost rose to **\$26.9M** from **\$26.3** in 2007, however as a whole, administrative costs moved to **\$49.3M** from **\$37.8M** in 2007, thus reflecting a 30% increase. This increase is attributed in the main to the write-off of bad debts in the sum of **\$6.5M**. Systems have since been put in place to minimize any recurrence.

Profits retained for the year ending 2008 December 31, was \$8.9M compared with **\$19.4M** in the previous year. This performance reflects a decline by approximately fifty percent (**50%**) against 2007's. The decline was due mainly to the bad debt write-off and a reduction in the mark-up.

Nevertheless, after taking these adjustments into consideration, Guyana National Printers Limited is still above normal in terms of retained earnings/shareholders equity as shown below:

<u>2008</u>	<u>2009</u>
\$3.17: \$1	\$6.92: \$1

Staff Matters

The Company boasted a staff strength of **83** at 2008 January 01, the numbers were reduced to **79** at 2008 December 31.

The **Exercise Book section** with a staff establishment of **9** experienced regular turnovers during the year with **7** operators resigning or walking-out. Poor wages was the main reason given by the employees for their departure.

An across-the-board increment of **5%** as declared by the Ministry of Finance, was paid to both management and non-management employees.

Workers with between one **(1)** and three **(3)** years of service received a **29%** increase in vacation allowance, upon representation made by their Union, the Printing Industry and Allied Workers Union. The Company also provided uniforms to employees, free of cost.

In keeping with its commitments, the Company awarded four **(4)** bursaries to children of employees who were successful at the grade six examinations.

The Company continued with its programme of on-the-job training especially in factory operations. Supervisors also received training in the area of Organisational Behaviour.

Industrial & Other Relations

The Industrial Relations climate was stable throughout the year with management and union working together to promote an enabling environment for production.

The Company continued to accommodate schools on educational tours.

Five **(5)** secondary school students completed their work study stints and six **(6)** Ministry of Labour trainees were on work attachment with the Company for a six month period.

Equipment

A capital budget of **\$14M** was proposed however approval for capital expenditure was denied by the Ministry of Finance on the ground that the Company would have been merged with the Guyana National Newspapers Limited.

In order to enhance production capacity, the MOZP (two-colour press) and GTO (one-colour press) were refurbished in the respective sums of **\$3.7M** and **\$.9M**. The sum of **\$1.1M** was also expended to refurbish the wire-stitching machine.

Equipment breakdowns were regular and our maintenance personnel were challenged to keep them running at times improvising because the manufacturers (of equipment) no longer stocked the required parts.

The Company's ability to attract a higher sales volume is impeded by the lack of necessary equipment which has placed it at a significant disadvantage to compete in an environment where the private printers were equipped with state-of the art equipment.

Conclusion

The year **2008** was a challenging one and **2009** is expected to bring further challenges since due to budget constraints we have not been able to re-tool the factory as planned. We are however optimistic that our results would once again be favourable, moreso since the price of paper stock has fallen with the reduction in the price of crude oil. Also, we have an experienced and committed workforce which is determined to ensure the continued success of the Company. I therefore take this opportunity to recognize their efforts and to thank them on behalf of the Board of Directors. I also say "thanks" to our faithful customers for their patronage throughout the year and look forward to their continued support in the future.



AG:91/2009

4 December 2009

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 2008

Chartered Accountants Deloitte and Touché have audited on my behalf the financial statements of Guyana National Printers Limited for the year ended 31 December 2008, as set out on pages 2 to 23. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In October 2009, the company received a tax liability statement of G\$32,815,514 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\$23,405,190 and tax payable of G\$19,664,763.

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.

In my opinion, except for these matters stated in the preceding paragraphs, 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 2008 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.

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 23 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.

In addition, we wish to further emphasise that the terms and conditions of the Government of Guyana loan in the sum of \$25.807M 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 2008

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 2008 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 23.

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.

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

1. In October 2009 the company received a tax liability statement of G\$32,815,514 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\$23,405,190 and tax payable of G\$19,664,763.

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.

2. 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.

Opinion

In our opinion except for the matters stated in the preceding paragraphs, 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 2008 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 23 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

December 2, 2009

77 Brickdam,
Stabroek, Georgetown,
Guyana

GUYANA NATIONAL PRINTERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>Notes</u>	<u>2008</u>	<u>2007</u>
		G\$	G\$
Revenue		220,299,427	218,782,496
Cost of sales		<u>(182,836,874)</u>	<u>(164,911,814)</u>
Gross profit		37,462,553	53,870,682
Other income	5	<u>24,224,896</u>	<u>9,335,305</u>
		61,687,449	63,205,987
Administrative expenses	6	<u>(49,385,652)</u>	<u>(37,847,910)</u>
Profit before tax		12,301,797	25,358,077
Taxation	7	<u>(3,368,072)</u>	<u>(5,878,961)</u>
Profit for the year		<u>8,933,725</u>	<u>19,479,116</u>
Earnings per share in dollars	8	<u>31.74</u>	<u>69.20</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 2008

	<u>Share capital</u> G\$	<u>Accumulated earnings</u> G\$	<u>Capital reserve</u> G\$	<u>Total</u> G\$
As at 31 December 2006	<u>2,814,850</u>	<u>59,327,062</u>	<u>12,873,199</u>	<u>75,015,111</u>
Profit for the year	<u>-</u>	<u>19,479,116</u>	<u>-</u>	<u>19,479,116</u>
Total recognised income and expense for the year	<u>-</u>	<u>19,479,116</u>	<u>-</u>	<u>19,479,116</u>
As at 31 December 2007	<u>2,814,850</u>	<u>78,806,178</u>	<u>12,873,199</u>	<u>94,494,227</u>
Revaluation of fixed assets	<u>-</u>	<u>-</u>	<u>165,378,537</u>	<u>165,378,537</u>
Total income and expense recognised directly in equity	<u>-</u>	<u>-</u>	<u>165,378,537</u>	<u>165,378,537</u>
Loss for the year	<u>-</u>	<u>8,933,725</u>	<u>-</u>	<u>8,933,725</u>
Total recognised income and expense for the year	<u>-</u>	<u>8,933,725</u>	<u>165,378,537</u>	<u>174,312,262</u>
As at 31 December 2008	<u>2,814,850</u>	<u>87,739,903</u>	<u>178,251,736</u>	<u>268,806,489</u>

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

GUYANA NATIONAL PRINTERS LIMITED

BALANCE SHEET

AT 31 DECEMBER 2008

	<u>Notes</u>	<u>2008</u> G\$	<u>2007</u> G\$
Non Current Assets			
Fixed assets	9	<u>180,969,263</u>	<u>15,177,819</u>
Current assets			
Inventories	10	55,971,182	67,603,901
Trade debtors	11(a)	24,946,589	28,295,432
Other debtors and prepayments	11(b)	1,972,995	1,592,255
Taxes recoverable		23,405,190	17,863,976
External payments deposits	12	100,977	100,977
Cash on hand and at bank		<u>69,239,872</u>	<u>71,283,493</u>
		<u>175,636,805</u>	<u>186,740,034</u>
TOTAL ASSETS		<u>356,606,068</u>	<u>201,917,853</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14(a)	2,814,850	2,814,850
Accumulated earnings		87,739,903	78,806,178
Capital reserve	14(b)	<u>178,251,736</u>	<u>12,873,199</u>
		<u>268,806,489</u>	<u>94,494,227</u>
Non-current liabilities			
Loans	15	<u>25,807,272</u>	<u>25,807,272</u>
Current liabilities			
Trade creditors	16	3,067,836	9,473,325
Other creditors and accruals	13	9,077,443	8,397,504
Advance payments	17	30,182,265	33,905,086
Taxation		19,664,763	22,606,224
Bank overdraft (unsecured)	18	-	<u>7,234,215</u>
		<u>61,992,307</u>	<u>81,616,354</u>
TOTAL EQUITY AND LIABILITIES		<u>356,606,068</u>	<u>201,917,853</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 2008

	2008 G\$	2007 G\$
Operating activities		
Profit before tax	12,301,797	25,358,077
Adjustment for:		
Adjustment to fixed assets	(1,237,926)	
Depreciation	<u>2,247,216</u>	<u>1,688,672</u>
Operating profit before working capital changes	13,311,087	27,046,749
Decrease in inventories	11,632,719	9,706,278
(Increase)/decrease in debtors and prepayments	2,968,103	(5,879,548)
Decrease in creditors and accruals	(5,725,550)	(9,214,808)
Increase/(decrease) in advance payments	<u>(3,722,821)</u>	<u>15,315,705</u>
Cash generated from operations	18,463,538	36,974,376
Taxes paid	<u>(11,850,748)</u>	<u>(3,944,807)</u>
Net cash provided by operating activities	<u>6,612,790</u>	<u>33,029,569</u>
 Investing activities:		
Purchase of fixed assets	<u>(1,422,196)</u>	<u>(8,233,538)</u>
Net cash used in investing activities	<u>(1,422,196)</u>	<u>(8,233,538)</u>
 Increase in cash and cash equivalents	5,190,594	24,796,031
Cash and cash equivalents at beginning of year	<u>64,049,278</u>	<u>39,253,247</u>
Cash and cash equivalents at end of year	<u>69,239,872</u>	<u>64,049,278</u>
 Comprising:		
Cash on hand and at bank	69,239,872	71,283,493
Bank overdraft	<u>-</u>	<u>(7,234,215)</u>
	<u>69,239,872</u>	<u>64,049,278</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. Adoption of new and revised standards and interpretations

Effective for the current period

New Interpretations	Effective for annual periods beginning on or after
IFRIC 11 IFRS 2 – Group and Treasury Share Transactions	1 March 2007
IFRIC 12 Service Concession Arrangements	1 January 2008
IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2008

Available for early adoption for the current period

New Standards	Effective for annual periods beginning on or after
IFRS 8 Operating Segments	1 January 2009

Amendments to Standards

IAS 23 Borrowing Costs	1 January 2009
IAS 1 Presentation of Financial Statements	1 January 2009
IFRS 3 Business Combinations	1 July 2009
IAS 27 Consolidated and Separate Financial Statements	1 July 2009
IFRS 2 Vesting Conditions and Cancellations	1 January 2009

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS.

2. Adoption of new and revised standards and interpretations – cont'd

Available for early adoption for the current period - cont'd

Amendments to Standards – cont'd

IAS 32 & IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
IFRS 1 & IAS 27 Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
Various Improvements to IFRSs	Varies (mostly January 2009)
IAS 39 Eligible Hedged Items	1 July 2009
IAS 39 & IFRS 7 Reclassification of Financial Assets	1 July 2008
IFRS 1 First-time Adoption of Financial Reporting Standards	1 July 2009

New interpretations

IFRIC 13 Customer Loyalty Programmes	1 July 2008
IFRIC 15 Agreements for the Construction of Real Estate	1 January 2009
IFRIC 16 Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 17 Distributions of Non-cash Assets to Owners	1 July 2009

None of the above new standards, interpretations and amendments to standards is expected to have a significant impact to the Guyana Bank for Trade and Industry Limited accounting policies.

3. 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.

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies – cont'd

(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

3. Summary of significant accounting policies – cont'd

(f) Taxation

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

Income 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

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, 2007 deferred tax assets not taken up due to uncertainties with respect to recoverability was approximately G\$ 63,755,700. At December 31, 2008 deferred tax liability of G\$8,888,015 was not taken up.

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies – cont'd

(g) Capital reserve

Surplus on revaluation of fixed assets 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) Financial instruments

Financial assets and liabilities are recognized on the company's balance sheet when the company becomes a party to the contractual provisions of the instruments.

Trade receivables

Trade receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. The allowance recognized is based on management's evaluation of the collectibility of the receivables.

Bank borrowings

Bank overdrafts are recognized at amortised cost.

Trade payables

Trade payables are recognized at amortised cost.

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

4. Critical accounting judgments and key sources of estimation uncertainty

It is the directors' responsibility to select suitable accounting policies and to make judgments and estimates that are reasonable and prudent.

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.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Debtors and other receivables

On a regular basis, management reviews debtors and other receivables to assess impairment. Based on the information available as to the likely impairment in cash flows, decisions are taken in determining appropriate provisions to be made for bad and doubtful debts.

(ii) Useful lives of fixed assets

Management reviews the estimated useful lives of fixed assets at the end of each year to determine whether the useful lives should remain the same.

(iii) Other financial assets

In determining the fair value of investments in the absence of a market, the Directors estimate the likelihood of impairment by using discounted cash flows.

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

	<u>2008</u> G\$	<u>2007</u> G\$
5 Other income		
Interest income	1,999,525	1,144,305
Others	<u>22,225,371</u>	<u>8,191,000</u>
	<u><u>24,224,896</u></u>	<u><u>9,335,305</u></u>
6 Administrative expenses		
Employment cost:		
Salaries and wages	20,792,963	19,807,939
Pensions	992,998	1,746,454
Other staff costs	<u>5,193,783</u>	<u>4,828,933</u>
	<u>26,979,744</u>	<u>26,383,326</u>
Administrative expenses	12,682,968	8,706,566
Depreciation (a)	1,077,673	948,018
Auditor's remuneration	1,465,000	1,150,000
Interest	-	-
Directors' emoluments (b)	660,000	660,000
Bad debts	<u>6,520,267</u>	<u>-</u>
	<u><u>49,385,652</u></u>	<u><u>37,847,910</u></u>
(a) Depreciation charges		
Administration	1,077,673	948,018
Overhead	<u>1,169,543</u>	<u>740,654</u>
	<u><u>2,247,216</u></u>	<u><u>1,688,672</u></u>
(b) Directors' emoluments		
C.Ramsingh	120,000	120,000
M.Sahadeo	-	90,000
A.Collins	-	90,000
C.Belgrave	90,000	90,000
D.Grenardo	90,000	90,000
M.Gordon	-	90,000
P.Boyce	90,000	90,000
C. Harrison	90,000	-
M. Harris	90,000	-
M. Bacchus	<u>90,000</u>	<u>-</u>
	<u><u>660,000</u></u>	<u><u>660,000</u></u>

GUYANA NATIONAL PRINTERS LIMITED
NOTES ON THE ACCOUNTS

7 Taxation	<u>2008</u> G\$	<u>2007</u> G\$
Reconciliation of tax expenses and accounting profit		
Accounting profit	<u>12,301,797</u>	<u>25,358,077</u>
Corporation tax at 35%	4,305,629	8,875,327
Add:		
Tax effect of expenses not deductible in determining taxable profit		
Depreciation for accounting purposes	786,526	591,035
Others	<u>-</u>	<u>57,700</u>
	5,092,155	9,524,062
Deduct:		
Tax effect of depreciation for tax purposes	1,530,124	968,238
Other	<u>699,833</u>	<u>611,280</u>
	2,862,198	7,944,544
Loss relief	<u>(1,431,099)</u>	<u>(4,000,585)</u>
Corporation tax	1,431,099	3,943,959
Property tax	<u>1,936,973</u>	<u>1,935,002</u>
	3,368,072	5,878,961
Current tax	<u>3,368,072</u>	<u>5,878,961</u>
8 Earnings per share	<u>2008</u> G\$	<u>2007</u> G\$
Profit for the year after taxation	<u>8,933,725</u>	<u>19,479,116</u>
Number of shares issued	<u>281,485</u>	<u>281,485</u>
Earnings per share in dollars	<u>31.74</u>	<u>69.20</u>

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

9 Fixed assets

	<u>Land and building</u>		<u>Plant, machinery and equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	<u>Freehold</u>	<u>Leasehold</u>	G\$	G\$	
(a) Cost/valuation					G\$
At 1 January 2008	8,259,956	957	70,564,230	6,916,015	85,741,158
Additions	-	-	1,422,196	-	1,422,196
Disposal	-	-	(5,408,692)	(165,500)	(5,574,192)
Adjustment	-	-	(7,577,945)	-	(7,577,945)
Revaluation	<u>112,189,087</u>	<u>-</u>	<u>31,930,014</u>	<u>-</u>	<u>144,119,101</u>
At 31 December 2008	<u>120,449,043</u>	<u>957</u>	<u>90,929,803</u>	<u>6,750,515</u>	<u>218,130,318</u>
Comprising:					
Cost	8,259,956	957	70,564,230	6,916,015	85,741,158
Valuation	<u>112,189,087</u>	<u>-</u>	<u>20,365,573</u>	<u>(165,500)</u>	<u>132,389,160</u>
	<u>120,449,043</u>	<u>957</u>	<u>90,929,803</u>	<u>6,750,515</u>	<u>218,130,318</u>
Depreciation					
At 1 January 2008	4,064,781	162	59,582,381	6,916,015	70,563,339
Charge for the year	-	-	2,247,216	-	2,247,216
Adjustment	(301,738)	-	(936,168)	-	(1,237,926)
Write back on Disposal	-	-	(12,986,637)	(165,500)	(13,152,137)
Revaluation	<u>(3,763,044)</u>	<u>(162)</u>	<u>(15,896,231)</u>	<u>(1,600,000)</u>	<u>(21,259,437)</u>
At 31 December 2008	<u>(1)</u>	<u>-</u>	<u>32,010,541</u>	<u>5,150,515</u>	<u>37,161,055</u>
Net book values:					
At 31 December 2008	<u>120,449,044</u>	<u>957</u>	<u>58,919,262</u>	<u>1,600,000</u>	<u>180,969,263</u>
At 31 December 2007	<u>4,195,175</u>	<u>795</u>	<u>10,981,849</u>	<u>-</u>	<u>15,177,819</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 and 2008 when revaluation was done by professional valuers. The surplus on the revaluation has been credited to capital reserve.

10 Inventories

	<u>2008</u>	<u>2007</u>
	G\$	G\$
Raw materials	19,425,058	30,251,160
Finished goods	15,458,882	15,977,132
Work-in-progress	13,672,208	14,563,170
Spares	<u>7,415,034</u>	<u>6,812,439</u>
	<u>55,971,182</u>	<u>67,603,901</u>

The costs of inventory recognised as expense during the period with respect to the operations was G\$ 116,850,410 (2007: G\$ 120,369,907). Cost of sales includes labour cost and depreciation charges.

The costs of inventory recognised as expense includes G\$ 1,565,410 in respect of material written off (2007: G\$ 1,228,894)

Inventories of G\$ 55,971,182 (2007: G\$ 67,603,901) are expected to be recovered within twelve months.

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

	<u>2008</u> G\$	<u>2007</u> G\$
11 (a) Trade debtors		
Trade debtors	26,814,673	32,598,616
Less: Provision for impairment individually assessed (i)	<u>1,868,084</u>	<u>4,303,184</u>
At 31 December	<u>24,946,589</u>	<u>28,295,432</u>
(i) At 1 January	4,303,184	4,303,184
Provision for the year	<u>(2,435,100)</u>	-
At 31 December	<u>1,868,084</u>	<u>4,303,184</u>
(b) Other debtors and prepayments		
Prepayments	1,700,949	656,249
Other debtors	<u>272,046</u>	<u>936,006</u>
	<u>1,972,995</u>	<u>1,592,255</u>
12 External payments deposits	<u>100,977</u>	<u>100,977</u>
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 permission from Bank of Guyana to remit to foreign suppliers.		
13 Other creditors and accruals		
Accruals	7,072,157	5,892,217
Other creditors	<u>2,005,286</u>	<u>2,505,287</u>
	<u>9,077,443</u>	<u>8,397,504</u>

GUYANA NATIONAL PRINTERS LIMITED
NOTES ON THE ACCOUNTS

14 Share capital	<u>2008</u>	<u>2007</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>
These shares are of G\$10 par value and have equal voting rights and rights to dividend		
(b) Capital reserve	<u>2008</u>	<u>2007</u>
	G\$	G\$
At 1 January	12,873,199	12,873,199
Movement during the year	<u>165,378,537</u>	-
At 31 December	<u>178,251,736</u>	<u>12,873,199</u>
15 Loan		
Ministry of Finance	<u>25,807,272</u>	<u>25,807,272</u>
This represents monies borrowed from the Government of Guyana for which the terms and agreement are yet to be finalised.		
16 Trade creditors	<u>2008</u>	<u>2007</u>
	G\$	G\$
Local	1,140,321	8,099,661
Foreign	<u>1,927,515</u>	<u>1,373,664</u>
	<u>3,067,836</u>	<u>9,473,325</u>
17 Advance payments		
Local	<u>30,182,265</u>	<u>33,905,086</u>
This represents amounts received for jobs to be done on behalf of various customers.		
	<u>2008</u>	<u>2007</u>
	G\$	G\$
18 Bank overdraft		
Republic Bank Limited - salary account	-	44,511
Republic Bank Limited - current account	<u>-</u>	<u>7,189,704</u>
	<u>-</u>	<u>7,234,215</u>
Interest rate	<u>-</u>	<u>18.25</u>
This was an unsecured overdraft held at Republic Bank (Guyana) Limited		

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

- 19 (a) Analysis of financial assets and liabilities by measurement basis
2007

ASSETS	Financial assets and liabilities at amortised cost		
	Loans and receivables	G\$	Total
		G\$	G\$
Trade debtors	24,946,589	-	24,946,589
Other debtors and prepayments	1,972,995	-	1,972,995
Taxes recoverable	23,405,190	-	23,405,190
External payments deposit	-	100,977	100,977
Cash on hand and at bank	-	69,239,872	69,239,872
Total assets	50,324,774	69,340,849	119,665,623
LIABILITIES			
Loans	-	25,807,272	25,807,272
Trade creditors	-	3,067,836	3,067,836
Other creditors and accruals	-	9,077,443	9,077,443
Advance payments	-	30,182,265	30,182,265
Taxation	-	19,664,763	19,664,763
Bank overdraft	-	-	-
Total liabilities	-	87,799,579	87,799,579
2007			
ASSETS	Loans and receivables	Financial assets and liabilities at amortised cost	Total
	G\$	G\$	G\$
Trade debtors	28,295,432	-	28,295,432
Other debtors and prepayments	1,592,255	-	1,592,255
Taxes recoverable	17,863,976	-	17,863,976
External payments deposit	-	100,977	100,977
Cash on hand and at bank	-	71,283,493	71,283,493
Total assets	47,751,663	71,384,470	119,136,133
LIABILITIES			
Loans	-	25,807,272	25,807,272
Trade creditors	-	9,473,325	9,473,325
Other creditors and accruals	-	8,397,504	8,397,504
Advance payments	-	33,905,086	33,905,086
Taxation	-	22,606,224	22,606,224
Bank overdraft	-	7,234,215	7,234,215
Total liabilities	-	107,423,626	107,423,626

(b) Fair value

Fair values have been determined as follows:

(i) Loans and receivables and Financial assets and liabilities

The directors consider that the carrying amounts of loans and receivables and financial assets and liabilities recorded at amortised cost in the financial statements approximate their fair values.

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

20 Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The company overall strategy remains unchanged from 2006.

The capital structure of the company consists of cash equivalents and equity comprising of share capital, accumulated earnings and capital reserve.

21 Financial risk management

Financial risk management objectives

The Company manages its financial risks through internal risk reports which analyse exposure by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk and credit risk which are approved by the board of directors.

(a) Market risk

Market risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The company's exposure to market risk is minimal.

GUYANA NATIONAL PRINTERS LIMITED¹

NOTES ON THE ACCOUNTS

21 Financial risk management - cont'd

(a) Market risk - cont'd

(i) 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.

	Average Interest rate %	Maturing		
		2008		
		Within 1 year G\$	Non interest bearing G\$	Total G\$
Assets				
Trade debtors	-	-	24,946,589	24,946,589
Other debtors and prepayments	-	-	1,972,995	1,972,995
Taxes recoverable	-	-	23,405,190	23,405,190
External payment deposits	-	-	100,977	100,977
Cash at bank and on hand	2.3	<u>69,239,872</u>	-	<u>69,239,872</u>
		<u>69,239,872</u>	<u>50,425,751</u>	<u>119,665,623</u>
Liabilities				
Loans	-	-	25,807,272	25,807,272
Trade creditors	-	-	3,067,836	3,067,836
Other creditors and accruals	-	-	9,077,443	9,077,443
Advance payments	-	-	30,182,265	30,182,265
Taxation	-	-	19,664,763	19,664,763
		-	<u>87,799,579</u>	<u>87,799,579</u>
Interest sensitivity gap		<u>69,239,872</u>		
Assets				
	Average Interest rate %	Maturing		
		2007		
		Within 1 year G\$	Non interest bearing G\$	Total G\$
Trade debtors	-	-	28,295,432	28,295,432
Other debtors and prepayments	-	-	1,592,255	1,592,255
Taxes recoverable	-	-	17,863,976	17,863,976
External payment deposits	-	-	100,977	100,977
Cash at bank and on hand	2.3	<u>58,230,726</u>	<u>13,052,767</u>	<u>71,283,493</u>
		<u>58,230,726</u>	<u>60,905,407</u>	<u>119,136,133</u>
Liabilities				
Loans	-	-	25,807,272	25,807,272
Trade creditors	-	-	9,473,325	9,473,325
Other creditors and accruals	-	-	8,397,504	8,397,504
Advance payments	-	-	33,905,086	33,905,086
Taxation	-	-	22,606,224	22,606,224
Bank overdraft	18.25	<u>7,234,215</u>	-	<u>7,234,215</u>
		<u>7,234,215</u>	<u>100,189,411</u>	<u>107,423,626</u>
Interest sensitivity gap		<u>50,996,511</u>		

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

21 Financial risk management - cont'd

(a) Market risk - cont'd

(ii) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The company's exposure to price risk arises is minimal as the Company does not actively trade in equities.

Management continually identifies, evaluates, underwrites and diversifies risk in order to minimize the total cost of carrying such risk.

(iii) 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.

	2008				Total G\$
	T&T\$	Sterling	Euro	US\$	
Assets	-	2	35	41,696	2,996,252
Liabilities	20,653	-	4,741	2,094	22,562,971

	2007				Total G\$
	T&T\$	Sterling	Euro	US\$	
Assets	4,095	884	-	22,162	5,062,844
Liabilities	-	-	9,308	18,364	10,182,047

Foreign currency sensitivity analysis

The following table details the company's sensitivity to a 1.5% increase or decrease in the Guyana dollar against the relevant currencies. Although a rate is not formally adopted and used as a measure, 1.5% gives a prudent possibility of a change in rate.

The sensitivity analysis shows the impact of all assets and liabilities that are held in foreign currencies per the preceding table. A positive number below indicates an increase in profit if the currencies were strengthened 1.5% against the Guyana dollar. If the currencies were weaken 1.5% against the Guyana dollar, there would be equal and opposite impact on the profit and loss account and the balances would be negative.

	2008 G\$	2007 G\$
Profit/(loss)	(293,500)	(76,788)

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

21 Financial risk management - cont'd

(b) Credit risk

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the company.

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

	<u>2008</u> G\$	<u>2007</u> G\$
Trade and other receivables (excluding prepayments)	<u>25,218,635</u>	<u>29,231,438</u>

The above balances are classified as follows:

Current	16,094,118	12,986,166
Past due but not impaired	3,493,433	7,868,108
Impaired	5,631,084	8,377,164
	<u>25,218,635</u>	<u>29,231,438</u>

Ageing of trade and other receivables which were past due but not impaired

	<u>2008</u> G\$	<u>2007</u> G\$
30-59 days	1,546,878	2,211,061
60-89 days	1,512,777	533,722
Over 90 days but less than 1 yr	433,788	5,123,325
	<u>3,493,443</u>	<u>7,868,108</u>

Ageing of trade and other receivables which are impaired

	<u>2008</u> G\$	<u>2007</u> G\$
Balances over 1 year	<u>5,631,084</u>	<u>8,377,164</u>
Provision for impairment individually assessed	<u>1,868,084</u>	<u>4,303,184</u>

GUYANA NATIONAL PRINTERS LIMITED¹

NOTES ON THE ACCOUNTS

21 Financial risk management - cont'd

(c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet its commitments associated with financial instruments.

The company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

	Maturing			
	2008			
	Within 1 year			
	On Demand	Due 3 - 12 mths	Over 1 year	Total
	G\$	G\$	G\$	G\$
Assets				
Trade debtors	-	24,946,589	-	24,946,589
Other debtors and prepayments	-	1,972,995	-	1,972,995
Taxes recoverable	-	23,405,190	-	23,405,190
External payments deposit	-	100,977	-	100,977
Cash on hand and at bank	69,239,872	-	-	69,239,872
	<u>69,239,872</u>	<u>50,425,751</u>	<u>-</u>	<u>119,665,623</u>
Liabilities				
Loans	-	-	25,807,272	25,807,272
Trade creditors	-	3,067,836	-	3,067,836
Other creditors and accruals	-	9,077,443	-	9,077,443
Advance payments	30,182,265	-	-	30,182,265
Taxation	-	19,664,763	-	19,664,763
Bank overdraft (unsecured)	-	-	-	-
	<u>30,182,265</u>	<u>31,810,042</u>	<u>25,807,272</u>	<u>87,799,579</u>
Net assets	<u>39,057,607</u>	<u>18,615,709</u>	<u>(25,807,272)</u>	<u>31,866,044</u>
	2007			
	Within 1 year			
	On Demand	Due 3 - 12 mths	Over 1 year	Total
	G\$	G\$	G\$	G\$
Assets				
Trade debtors	-	28,295,432	-	28,295,432
Other debtors and prepayments	-	1,592,255	-	1,592,255
Taxes recoverable	-	17,863,976	-	17,863,976
External payments deposit	-	100,977	-	100,977
Cash on hand and at bank	71,283,493	-	-	71,283,493
	<u>71,283,493</u>	<u>47,852,640</u>	<u>-</u>	<u>119,136,133</u>
Liabilities				
Loans	-	-	25,807,272	25,807,272
Trade creditors	-	9,473,325	-	9,473,325
Other creditors and accruals	-	8,397,504	-	8,397,504
Advance payments	33,905,086	-	-	33,905,086
Taxation	-	22,606,224	-	22,606,224
Bank overdraft (unsecured)	7,234,215	-	-	7,234,215
	<u>41,139,301</u>	<u>40,477,053</u>	<u>25,807,272</u>	<u>107,423,626</u>
Net assets	<u>30,144,192</u>	<u>7,375,587</u>	<u>(25,807,272)</u>	<u>11,712,507</u>

GUYANA NATIONAL PRINTERS LIMITED

NOTES ON THE ACCOUNTS

22 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>2008</u> G\$	<u>2007</u> G\$
(i) Balances with Ministries and other Government agencies		
Due from	<u>16,621,982</u>	<u>24,198,129</u>
Due to	<u>(30,081,166)</u>	<u>(31,794,786)</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>13,616,596</u>	<u>13,215,019</u>
Post-employment benefits	<u>444,853</u>	<u>482,258</u>
(iii) Directors emoluments (note 6 (b))	<u>660,000</u>	<u>660,000</u>

23 Privatization

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