

**AUDITED FINANCIAL STATEMENTS OF THE  
GUYANA NATIONAL NEWSPAPERS LIMITED**

**FOR THE YEAR ENDED  
31 DECEMBER 2019**

**CONTRACTED AUDITORS:**

**CHATERAM RAMDIHAL  
CHARTERED ACCOUNTANTS  
25 CRAIG STREET &  
DELPH AVENUE  
CAMPBELLVILLE  
GEORGETOWN  
GUYANA**

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

**OPINION NO: 167/2022**

AUDITED FINANCIAL STATEMENTS OF THE  
GUYANA NATIONAL NEWSPAPERS LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2019

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## *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>*

359/PC: 26/2/2022

20 October 2022

Ms. Nicole Williams  
Chairperson  
Board of Directors  
Guyana National Newspapers Limited  
Lama Avenue  
Bel Air Gardens  
Georgetown.

Dear Ms. Williams,

AUDIT OF THE FINANCIAL STATEMENTS OF THE  
GUYANA NATIONAL NEWSPAPERS LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2019

Please find attached five copies of the audited financial statements, together with the report of the Auditor General, thereon.

Should you need any further explanation, please do not hesitate to contact us.

With best regards.

Yours sincerely,

  
Nichette Harcourt  
Audit Manager (ag.)  
for Auditor General



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AG: 167/2022

20 October 2022

REPORT OF THE AUDITOR GENERAL  
TO THE MEMBERS OF THE BOARD OF DIRECTORS OF THE  
GUYANA NATIONAL NEWSPAPERS LIMITED  
ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

### *Opinion*

Chartered Accountants Chateram Ramdihal Chartered Accountants, Professional Services Firm have audited on my behalf the financial statements of the Guyana National Newspapers Limited, which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 4 to 22.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Guyana National Newspapers Limited as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 1991.

### *Basis for Opinion*

I have conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institution (ISSAIs) and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Emphasis of Matter*

I draw attention to Note 5 of the financial statements which shows the Company's trade receivables and other receivables and prepayments with a value of \$197.45M and \$7.63M, respectively, as at 31 December 2019. The recurring significantly high levels of receivables indicates uncertainty to the collection of these debts and casts doubt on the policies and procedures governing the debt collection. My opinion is not modified in respect of this matter.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and the Companies Act 1991 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA



**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF  
GUYANA NATIONAL NEWSPAPERS LIMITED**

**Opinion**

We have audited the financial statements of **Guyana National Newspapers Limited**, which comprise the statement of financial position as at December 31, 2019, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 1991.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note 5 of the financial statements which shows the Company's trade receivables and other receivables and prepayments with a value of G\$197.45M and G\$7.63M, respectively, as at December 31, 2019. The recurring significantly high levels of receivables indicates uncertainty to the collection of these debts and casts doubt on the policies and procedures governing the debt collection. Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 1991, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

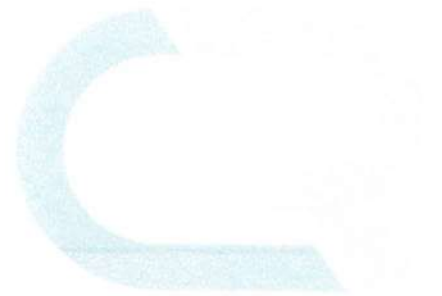
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner responsible for the audit resulting in this auditor's report is **Chateram Ramdihal**.



**CHATERAM RAMDIHAL**  
**Chartered Accountants,**  
**Professional Services Firm**  
25 Craig Street and Delph Avenue,  
Campbellville,  
Georgetown, Guyana

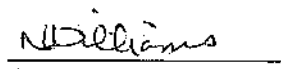
October 11, 2022



**Guyana National Newspapers Limited**  
**Statement of Financial Position**  
As at December 31, 2019

|                                      | Notes | 2019<br>G\$        | 2018<br>G\$        |
|--------------------------------------|-------|--------------------|--------------------|
| <b>ASSETS</b>                        |       |                    |                    |
| <b>Non-current assets</b>            |       |                    |                    |
| Property, plant & equipment          | 4     | 86,825,969         | 81,646,066         |
| <b>Total non-current assets</b>      |       | <b>86,825,969</b>  | <b>81,646,066</b>  |
| <b>Current assets</b>                |       |                    |                    |
| Inventories                          | 6     | 40,646,264         | 56,883,198         |
| Deferred taxation                    |       | 36,219             | 2,086,806          |
| Tax recoverable                      |       | 2,176,880          | 1,227,467          |
| Work in progress                     |       | 4,065,400          | 4,065,400          |
| Accounts receivables                 | 5     | 205,077,139        | 127,532,913        |
| Cash and cash equivalents            | 7     | 43,978,858         | 105,601,476        |
| <b>Total current assets</b>          |       | <b>295,980,760</b> | <b>297,397,260</b> |
| <b>TOTAL ASSETS</b>                  |       | <b>382,806,729</b> | <b>379,043,327</b> |
| <b>EQUITY AND LIABILITIES</b>        |       |                    |                    |
| <b>Non-current liabilities</b>       |       |                    |                    |
| Related party                        | 11    | 36,000,000         | 36,000,000         |
| Deferred income                      | 8     | 4,112,894          | 4,329,362          |
| <b>Total non-current liabilities</b> |       | <b>40,112,894</b>  | <b>40,329,362</b>  |
| <b>Current liabilities</b>           |       |                    |                    |
| Trade payables                       | 9     | 7,757,160          | 7,415,292          |
| Other payables and accruals          | 10    | 17,001,673         | 21,204,003         |
| Vat payable                          | 12    | 3,734,196          | 3,919,414          |
| Taxation payable                     |       | 123,427            | 55,588             |
| Deferred taxation                    |       | 10,004,725         | 8,292,033          |
| <b>Total current liabilities</b>     |       | <b>38,621,181</b>  | <b>40,886,330</b>  |
| <b>TOTAL LIABILITIES</b>             |       | <b>78,734,075</b>  | <b>81,215,692</b>  |
| <b>Equity</b>                        |       |                    |                    |
| Share capital                        |       | 244,800            | 244,800            |
| Capital reserve                      |       | 1,637,796          | 1,637,796          |
| Retained earnings                    |       | 302,190,058        | 295,945,039        |
| <b>TOTAL EQUITY</b>                  |       | <b>304,072,654</b> | <b>297,827,635</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |       | <b>382,806,729</b> | <b>379,043,327</b> |

*On behalf of the Board of Directors:*

  
Director

**Guyana National Newspapers Ltd**

*The notes on pages 8 to 22 form an integral part of these financial statements.*

  
Company Secretary

**Guyana National Newspapers Ltd**

**Guyana National Newspapers Limited**  
**Statement of Profit or Loss**  
For the year ended December 31, 2019

|                               | Notes     | 2019<br>G\$        | 2018<br>G\$        |
|-------------------------------|-----------|--------------------|--------------------|
| <b>Income</b>                 |           |                    |                    |
| Advertising                   |           | 372,512,688        | 347,139,243        |
| Newspapers circulation        |           | 90,605,252         | 87,840,839         |
| Job printing                  |           | 34,030,524         | 29,445,364         |
| <b>Total income</b>           |           | <b>497,148,464</b> | <b>464,425,446</b> |
| <b>Production expenses</b>    | <b>15</b> | 164,044,837        | 151,674,876        |
| <b>Gross profit</b>           |           | <b>333,103,627</b> | <b>312,750,570</b> |
| Other income                  | 16        | 5,200,812          | 4,418,347          |
| <b>Operating profit</b>       |           | <b>338,304,439</b> | <b>317,168,917</b> |
| <b>Other expenses</b>         |           |                    |                    |
| Administrative expenses       | 17        | 300,617,937        | 271,139,840        |
| Circulation expenses          | 18        | 25,511,999         | 23,092,529         |
| <b>Total expenses</b>         |           | <b>326,129,936</b> | <b>294,232,369</b> |
| <b>Profit before taxation</b> |           | 12,174,503         | 22,936,548         |
| Taxation                      |           | (5,929,484)        | (7,373,437)        |
| <b>Profit after taxation</b>  |           | <b>6,245,019</b>   | <b>15,563,111</b>  |

*The notes on pages 8 to 22 form an integral part of these financial statements.*

**Guyana National Newspapers Limited**  
**Statement of Changes in Equity**  
For the year ended December 31, 2019

|                                     | <b>Share<br/>Capital</b> | <b>Capital<br/>Reserves</b> | <b>Retained<br/>Earnings</b> | <b>Total</b>       |
|-------------------------------------|--------------------------|-----------------------------|------------------------------|--------------------|
|                                     | <b>G\$</b>               | <b>G\$</b>                  | <b>G\$</b>                   | <b>G\$</b>         |
| <b>Balance at January 1, 2018</b>   | 244,800                  | 1,637,796                   | 280,381,928                  | 282,264,524        |
| Profit for the year                 | -                        |                             | 15,563,111                   | 15,563,111         |
| <b>Balance at December 31, 2018</b> | <b>244,800</b>           | <b>1,637,796</b>            | <b>295,945,039</b>           | <b>297,827,635</b> |
| Profit for the year                 | -                        | -                           | 6,245,019                    | 6,245,019          |
| <b>Balance at December 31, 2019</b> | <b>244,800</b>           | <b>1,637,796</b>            | <b>302,190,058</b>           | <b>304,072,654</b> |

*The notes on pages 8 to 22 form an integral part of these financial statements.*

**Guyana National Newspapers Limited****Statement of Cash Flows**

For the year ended December 31, 2019

|   | <b>2019</b>         | <b>2018</b>         |
|---|---------------------|---------------------|
|   | <b>G\$</b>          | <b>G\$</b>          |
| <b>Cash flows from operating activities</b>                                       |                     |                     |
| Net profit before taxation  | 12,174,503          | 22,936,549          |
| <i>Adjustments for:</i>   |                     |                     |
| Add: Depreciation   | 12,076,169          | 10,567,670          |
| Deferred Income   |                     | -                   |
| Interest income   | (302,527)           | (633,791)           |
| Gain on disposal  | (2,570,000)         | -                   |
| <b>Operating (loss) before working capital changes</b>                            | <b>21,378,145</b>   | <b>32,870,428</b>   |
| Decrease/ Increase in inventories   | 16,236,934          | (21,345,590)        |
| Increase in tax recoverable   | -                   | (19,270)            |
| Increase in work in progress  | -                   | (1,025,400)         |
| Increase in trade and other receivables   | (77,544,226)        | (21,792,229)        |
| Increase in trade and other payables  | (3,860,462)         | 9,734,411           |
| Increase in vat payable   | (185,218)           | (13,785,922)        |
| <b>Cash used in operations</b>  | <b>(43,974,827)</b> | <b>(15,363,572)</b> |
| <b>Tax paid</b>   | <b>(3,047,779)</b>  | <b>(8,207,923)</b>  |
| <b>Net cash flow from operating activities</b>                                    | <b>(47,022,606)</b> | <b>(23,571,495)</b> |
| <b>Cash flows from investing activities</b>                                       |                     |                     |
| Purchase on non-current assets  | (17,472,540)        | (7,184,239)         |
| Proceeds from sale of assets  | 2,570,000           | -                   |
| Investment income - interest net of withholding tax                               | 302,527             | 633,791             |
| <b>Net cash flows from investing activities</b>                                   | <b>(14,600,013)</b> | <b>(6,550,448)</b>  |
| <b>Cash flows from financing activities</b>                                       |                     |                     |
| Increase in related party   | -                   | -                   |
| Issue of shares   | -                   | -                   |
| <b>Net cash flows from financing activities</b>                                   | <b>-</b>            | <b>-</b>            |
| <b>Net increase in cash and cash equivalents</b>                                  | <b>(61,622,619)</b> | <b>(30,121,943)</b> |
| Cash and cash equivalents at January 1,   | 105,601,476         | 135,723,418         |
| <b>Cash and cash equivalents at December 31,</b>                                  | <b>43,978,857</b>   | <b>105,601,475</b>  |
| <b>Cash and cash equivalents as shown on the statement of financial statement</b> |                     |                     |
| Cash in bank  | 42,422,045          | 105,431,810         |
| Cash on hand  | 1,556,812           | 169,665             |
|   | <b>43,978,857</b>   | <b>105,601,475</b>  |

*The notes on pages 8 to 22 form an integral part of these financial statements.*



**Guyana National Newspapers Limited**  
**Notes to the Financial Statements**  
For the year ended December 31, 2019

**1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES**

The Guiana Graphic Limited was Incorporated on December 31, 1953 under the Companies Ordinance Chapter 328. This name was duly changed by special resolution on December 30, 1965 to Guyana Graphic Limited. On November 14, 1975 another Special Resolution was passed changing the Company's name from Guyana Graphic Limited to Guyana National Newspapers Limited. Guyana National Newspapers Limited is a subsidiary of National Industrial and Commercial Investments Limited (NICIL).

Guyana National Newspapers Limited is a subsidiary of National Industrial and Commercial Investments Limited (NICIL).

The Company has obtained a certificate of continuance in accordance with section 339 of the Companies Act of 1991.

The Company's principal activity is advertising through daily and weekly newspapers, selling of daily and Sunday Chronicle newspapers and jobbing work for customers.

The address of the Company's registered office is Lot Lama Avenue, Bel Air Park, Georgetown, Guyana.

These financial statements were approved for issue by the Board of Directors on the 06th day of October, 2022.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below:

**(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain non-current assets. The financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company's financial statements are presented to satisfy the requirements of the Companies Act 1991. 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 revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances and constitute management's best judgement at the date of the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

**Standards, Amendments and Interpretations that are effective in the current year**

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for year ended December 31, 2016 except for the adoption of new standards, amendments and interpretations. The following new standards, amendments and interpretations to existing standards have been published and are effective in the current

IAS 7 - Disclosure Initiative - Amendments to IAS 7 (Effective January 1, 2017)

IAS 12 - Recognition of Deferred Tax Assets for Unrealised Losses - Amendments to IAS 12 (Effective January 1, 2017)

IFRS 12 - Disclosure of Interest in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12 (Effective January 1, 2017)

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **(a) Basis of preparation (Cont'd)**

#### **Standards, Amendments and Interpretations that are not effective in the current year**

The following new standards, amendments and interpretations to existing standards have been published and are not effective in the current financial year:

IFRS 9 - Financial Instruments (Effective January 1, 2018)

IFRS 15 - Revenue from Contracts with Customer (effective January 1, 2018)

IFRS 16 - Leases (Effective January 1, 2019)

IFRS 17 - Insurance Contracts (Effective January 1, 2021)

IFRS 2 - Classification and Measurement of Share - based Payment Transactions - Amendments to IFRS 2 (Effective January 1, 2018)

IFRS 3 - Business Combinations - Clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. (Effective January 1, 2019)

IFRS 4 - Insurance Contracts: Applying IFRS 9 with IFRS 4 Insurance Contracts - Amendments to IFRS 4 (Effective January 1, 2018)

IFRS 11 - Joint Arrangements - Clarify that when an entity obtains control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. (Effective January 1, 2019)

IAS 40 - Insurance Contracts: Transfer of Investment Property - Amendments to IAS 40 (Effective January 1, 2018)

IFRIC 22 - Foreign Currency Transactions and Advance Consideration (Effective January 1, 2018)

IFRIC 23 - Uncertainty Over Income Tax Treatments (Effective January 1, 2019)

IFRS 1 - First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters (Effective January 1, 2018)

IAS 28 - Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit and loss is an investment by investment choice (Effective January 1, 2018)

### **(b) Property, plant and equipment**

Property, plant and equipment are stated at historical cost or revalued amounts less accumulated depreciation. Depreciation is provided on a straight line and reducing balance basis at rates sufficient to write off the assets over their estimated useful lives. A full year depreciation is charged in the year of acquisition and no depreciation in the year of disposal.

The rates used are as follows:

|                                    | <b>Rate</b>               |
|------------------------------------|---------------------------|
| Buildings                          | 3 1/3% - Straight Line    |
| Vehicles                           | 25% - 50% - Straight Line |
| Furniture and fittings             | 5% - Reducing Balance     |
| Plant & equipment                  | 5% - 20% Reducing Balance |
| Freehold land was not depreciated. |                           |

## **2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **(c) Impairment of assets**

At each Statement of Financial Position date, the company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the higher of the asset's fair value less cost to sell and value in use.

At the Statement of Financial Position date, management reviewed the carrying amount of the company's tangible non current assets and current assets and determined whether both, the non current assets and the current assets have suffered an impairment.

The gain or losses arising on the disposal of property, plant and equipment are determined by reference to their carrying amount and the sales consideration, and is recognised in the Statement of Profit and Loss.

Assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### **(d) Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined by the First In First Out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less cost to completion and selling expenses.

### **(e) Taxation**

Taxation on the profit or loss for the year comprises of current and deferred tax. Current tax represents charges for Corporation tax. Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the end of the reporting period.

A deferred asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **(f) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less a provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

### **(g) Cash and cash equivalents**

Cash and cash equivalents comprise cash and deposits convertible into known amounts of cash at short notice.

**Guyana National Newspapers Limited**

**Notes to the Financial Statements**

For the year ended December 31, 2019

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(h) Trade payables**

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective rate method.

**(i) Revenue recognition**

Revenue comprises of income from advertising, newspapers circulation and job printing. Revenues in the form of sales are recognised at the time the goods or service are delivered to the customers.

**(j) Expenditure recognition**

Expenses are recognised when the goods and services are received.

**(k) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates. The financial statements are presented in Guyana Dollars, which is the company's functional currency.

**(l) Foreign currencies**

Transactions involving foreign currencies are translated into the functional currency using exchange rates prevailing at the date of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

**(m) Comparatives**

Certain changes in presentation have been made in these financial statements. These changes had no effect on the operating results, profit after tax or earnings of the company for the previous year.

**3. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**3. Critical accounting judgements and key sources of estimation uncertainty (Cont'd)**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

**(a) Useful lives of property, plant and equipment**

Management reviews the estimated useful lives of property, plant and equipment at the end of each year to determine whether the useful lives should remain the same.

**(b) Impairment of financial assets**

Management makes judgement at each reporting date to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

**(c) Deferred taxes**

In calculating the provision for deferred taxation, management uses judgement to determine the probability that future taxable profits will be available to facilitate utilisation of temporary tax differences which may arise.



**Guyana National Newspapers Limited**

**Notes to the Financial Statements**

For the year ended December 31, 2019

| 4. Property, plant and equipment | Freehold Land | Building   | Motor Vehicles | Furniture & Fittings | Plant & Equipment | Total       |
|----------------------------------|---------------|------------|----------------|----------------------|-------------------|-------------|
|                                  | G\$           | G\$        | G\$            | G\$                  | G\$               | G\$         |
| <b>Cost</b>                      |               |            |                |                      |                   |             |
| At January 01, 2018              | 111,715       | 45,093,845 | 32,821,750     | 52,428,132           | 188,367,238       | 318,822,680 |
| Additions                        | -             | -          | -              | 1,731,889            | 5,452,350         | 7,184,239   |
| Disposals                        | -             | -          | (2,500,000)    | -                    | -                 | (2,500,000) |
| At December 31, 2018             | 111,715       | 45,093,845 | 30,321,750     | 54,160,021           | 193,819,588       | 323,506,919 |
| Additions                        | -             | 2,807,513  | 5,700,000      | 3,563,611            | 5,401,416         | 17,472,540  |
| Disposals                        | -             | -          | (7,600,000)    | -                    | -                 | (7,600,000) |
| Adjustment                       | -             | -          | -              | (769,394)            | 769,394           | -           |
| At December 31, 2019             | 111,715       | 47,901,358 | 28,421,750     | 56,954,238           | 199,990,398       | 333,379,459 |
| <b>Depreciation</b>              |               |            |                |                      |                   |             |
| At January 01, 2018              | -             | 18,756,274 | 27,901,120     | 20,689,074           | 166,218,853       | 233,565,321 |
| Charges for the year             | -             | 1,459,001  | 2,141,250      | 1,634,062            | 5,504,010         | 10,738,323  |
| Write back on disposals          | -             | -          | (2,272,138)    | -                    | -                 | (2,272,138) |
| At December 31, 2018             | -             | 20,215,275 | 27,770,232     | 22,323,136           | 171,722,863       | 242,031,506 |
| Charges for the year             | -             | 1,473,839  | 3,550,000      | 1,568,419            | 5,483,911         | 12,076,169  |
| Write back on disposals          | -             | -          | (7,600,000)    | -                    | -                 | (7,600,000) |
| Transfer                         | -             | 277,575.00 | (235,982)      | (896,150)            | 900,372           | 45,815      |
| At December 31, 2019             | -             | 21,966,689 | 23,484,250     | 22,995,405           | 178,107,146       | 246,553,490 |
| <b>Net book values</b>           |               |            |                |                      |                   |             |
| At December 31, 2019             | 111,715       | 25,934,669 | 4,937,500      | 33,958,833           | 21,883,252        | 86,825,969  |
| At December 31, 2018             | 111,715       | 24,878,570 | 2,551,518      | 31,836,885           | 22,096,725        | 81,475,413  |

**Guyana National Newspapers Limited**  
**Notes to the Financial Statements**  
For the year ended December 31, 2019

| <b>5. Accounts Receivable</b>                 | <b>2019</b>        | <b>2018</b>        |
|---|--------------------|--------------------|
| <b>(a). Trade Receivables</b>                 | <b>G\$</b>         | <b>G\$</b>         |
| Advertising debtors- Local                    | 37,190,578         | 32,927,615         |
| Circulation Agent Debtors-Local               | 18,755,834         | 13,621,954         |
| Jobbing debtors                               | 30,915,197         | 16,679,526         |
| Hold over-debtors                             | 106,050,221        | 55,125,927         |
| Subscribers-Local                             | 25,633,724         | 19,556,960         |
| Other debtors                                 | 14,366,051         | 12,611,339         |
|   | <b>232,911,605</b> | <b>150,523,321</b> |
| Less: provision for bad debts                 | (35,460,973)       | (32,072,921)       |
| <b>Total trade receivables</b>                | <b>197,450,632</b> | <b>118,450,400</b> |
| <b>(b). Other receivables and prepayments</b> |                    |                    |
| Staff debtors                                 | 7,415,961          | 8,114,827          |
| Heidelberg Debtors                            | 93,669             | 93,669             |
| Pre-Payments                                  | 189,744            | 813,241            |
| Dishonoured cheques                           | 1,156,511          | 1,202,082          |
| Other debtors                                 | (42,972)           | 45,100             |
| Foreign receivables                           | 443,738            | 443,738            |
|   | <b>9,256,651</b>   | <b>10,712,657</b>  |
| Less: provision for bad debts                 | (1,630,144)        | (1,630,144)        |
|   | <b>7,626,507</b>   | <b>9,082,513</b>   |
| <b>6. Inventories</b>                         |                    |                    |
| Newprint in bond                              | 14,397,937         | 32,544,826         |
| Other materials in bond                       | 17,455,881         | 17,166,315         |
| Stationery-pens, pencil, etc                  | 3,837,281          | 5,287,985          |
| Spares-Motor Vehicles, Press pt               | 6,543,872          | 3,472,779          |
| Loose tools                                   | 512,260            | 512,260            |
| Less: provision for obsolete stocks           | (2,100,967)        | (2,100,967)        |
|   | <b>40,646,264</b>  | <b>56,883,198</b>  |
| <b>7. Cash &amp; cash equivalents</b>         |                    |                    |
| Cash at bank                                  | 42,422,045         | 105,431,811        |
| Cash in hand                                  | 1,556,813          | 169,665            |
| <b>Total</b>                                  | <b>43,978,858</b>  | <b>105,601,476</b> |

**Guyana National Newspapers Limited**  
**Notes to the Financial Statements**  
For the year ended December 31, 2019

**8. Deferred Income**

The Health Sector Development Unit (HSDU) under the Global Fund Programme has provided financial support with the purchase of non-current assets (furniture and fittings) for the company. This support, referred to as deferred income, is recognised in the statement of profit and loss on a systematic basis over the useful life of the asset. As the non-current assets incur depreciation, the corresponding amount is recognised as income; as such, as a nil effect on the statement of profit or loss.

|                                   | 2019             | 2018             |
|-----------------------------------|------------------|------------------|
|                                   | G\$              | G\$              |
| Fair value of non-current assets  | 4,329,362        | 4,557,223        |
| Depreciation charges              | (216,468)        | (227,861)        |
| <b>Balance as at December 31,</b> | <b>4,112,894</b> | <b>4,329,362</b> |

**9. Trade payables**

|                   |                  |                  |
|-------------------|------------------|------------------|
| Local suppliers   | 582,951          | 828,093          |
| Foreign suppliers | 7,174,209        | 6,587,199        |
|                   | <b>7,757,160</b> | <b>7,415,292</b> |

**10. Other payables and accruals**

|                                     |                   |                   |
|-------------------------------------|-------------------|-------------------|
| CCWU canteen                        | 6,785             | 6,785             |
| Credit union dues                   | 1,176,772         | 1,125,323         |
| Electricity                         | 1,240,842         | 1,078,603         |
| General suspense                    | 3,254             | 3,254             |
| Insurance premium                   | 2,861             | 5,724             |
| Medical scheme                      | (91,200)          | 51,350            |
| NIS                                 | 1,475,751         | 1,278,777         |
| Others                              | 6,061,667         | 11,154,701        |
| Paye- Cir                           | 1,699,059         | 1,429,776         |
| Property tax                        | 1,108,121         | 1,093,171         |
| Sports club                         | 258,320           | 258,320           |
| Staff welfare scheme                | 1,164,723         | 1,460,135         |
| Telephone                           | 624,997           | 176,760           |
| Trade union dues                    | -                 | -                 |
| Unpresented/ defected/ stale cheque | 2,190,265         | 1,977,250         |
| Wages and salaries payable          | 79,456            | 104,074           |
|                                     | <b>17,001,673</b> | <b>21,204,003</b> |

**11. Related parties**

Parties are considered to be related if one party has the ability to control over the other party or exercise significant influence over the other party in making financial or operating decisions. Related parties consists of group companies, key management personnel, including directors, and any entity to which they are affiliated.

**Guyana National Newspapers Limited**  
**Notes to the Financial Statements**  
For the year ended December 31, 2019

**11. Related parties (Cont'd)**

| <b>(a) Related party balances</b>                               | <b>2019</b>       | <b>2018</b>       |
|---|-------------------|-------------------|
| <i>Non-Current Liability</i>                                    | <b>G\$</b>        | <b>G\$</b>        |
| <i>National Industrial &amp; Commercial Investments Limited</i> | 36,000,000        | 36,000,000        |
|   | <b>36,000,000</b> | <b>36,000,000</b> |

In 2009, National Industrial and Commercial Investments Limited (NICIL) the representative of the company's largest shareholder had disbursed to the company \$36,000,000 to acquire a printing press. In 2011, NICIL'S representative has confirmed that NICIL will seek approval to convert the debt to equity in 2012. As at December 31, 2018, this agreement is pending and to be agreed upon by both parties.

**12. VAT Payable**

|                    |                  |                  |
|--------------------|------------------|------------------|
| Output VAT         | 688,408,323      | 623,818,687      |
| Input VAT          | 684,674,127      | 619,899,273      |
| <b>VAT Payable</b> | <b>3,734,196</b> | <b>3,919,414</b> |

**13. Deferred Taxation**

Deferred taxes and temporary differences are recognised using tax rates that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets relating to the carried forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available to offset. In the year of making profit the deferred tax assets are being reversed using the applicable tax rates and rates and laws prevailing at that time.

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.

**Temporary differences**

|                                |                     |                     |
|--------------------------------|---------------------|---------------------|
| Tax base of non-current assets | -                   | 57,558,588          |
| Less: accounting base          | 86,825,969          | 81,475,413          |
|                                | <b>(86,825,969)</b> | <b>(23,916,825)</b> |
| <b>Tax rate at 27.5</b>        | <b>(23,877,141)</b> | <b>(6,577,127)</b>  |

|                                | <b>Non-current Assets</b> | <b>Adjusted tax losses</b> | <b>Net total</b>  |
|--------------------------------|---------------------------|----------------------------|-------------------|
| As at January 1, 2018          | (7,713,302)               | 11,161,365                 | 3,448,063         |
| Movements during the year      | 96,140                    | 5,371,773                  | 5,467,913         |
| <b>As at December 31, 2018</b> | <b>(7,617,162)</b>        | <b>16,533,138</b>          | <b>8,915,976</b>  |
| Movements during the year      | (1,483,461)               | 3,191,562                  | 1,708,101         |
| <b>As at December 31, 2019</b> | <b>(9,100,623)</b>        | <b>19,724,700</b>          | <b>10,624,077</b> |

**Guyana National Newspapers Limited****Notes to the Financial Statements**

For the year ended December 31, 2019

|   | <b>2019</b>        | <b>2018</b>        |
|---|--------------------|--------------------|
|   | <b>G\$</b>         | <b>G\$</b>         |
| <b>14. Share Capital</b>                                |                    |                    |
| <b>Authorised Ordinary Shares</b>                       | 7,500,000          | 7,500,000          |
| <b>Issued Ordinary Shares</b>                           | 2,448,000          | 2,448,000          |
| <b>Issued ordinary shares at stated value</b>           | 244,800            | 244,800            |
| <b>The shareholders of the company are:</b>             |                    |                    |
| National Industrial & Commercial Investments Limited    | 2,203,200          | 2,203,200          |
| Other shareholders                                      | 244,800            | 244,800            |
|   | <b>2,448,000</b>   | <b>2,448,000</b>   |
| <b>15. Production expenses</b>                          |                    |                    |
| Camera allowance  | 360,000            | 350,000            |
| Car and bicycle allowances                              | 2,426,750          | 2,249,375          |
| Cleaning and sanitation                                 | 72,324             | 98,541             |
| Employment costs  | 78,700,968         | 76,355,296         |
| Freelance writer  | 19,240,827         | 22,653,956         |
| Fuel and lubricants                                     | 98,500             | 107,992            |
| Meals and subsistence                                   | 1,789,976          | 1,308,302          |
| Outside job   | 49,562             | 1,676              |
| Plates, newsprint, ink, film                            | 54,778,951         | 46,590,524         |
| Repairs and maintenances- building                      | 10,349             | 1,780              |
| Repairs and maintenances- equip, furniture and fittings | 2,393,779          | 89,130             |
| Repairs and maintenances- motor vehicle                 | 44,605             | 15,160             |
| Stationery and office supplies                          | 738,385            | 774,335            |
| Telephone   | 66,529             | 30,100             |
| Travelling and transportation                           | 3,273,333          | 1,048,710          |
|   | <b>164,044,837</b> | <b>151,674,877</b> |
| <b>16. Other income</b>                                 |                    |                    |
| Bank interest   | 302,527            | 633,791            |
| Cash overage  | 42,682             | -                  |
| Jobbing-Rev: Color Separation                           | -                  | 197,695            |
| Miscellaneous   | 343,143            | 870,803            |
| Rental  | 1,377,000          | 1,752,000          |
| Sale of asset   | 2,570,000          | 301,000            |
| Sale of cut to size paper                               | 565,460            | 663,058            |
|   | <b>5,200,812</b>   | <b>4,418,347</b>   |



**Guyana National Newspapers Limited****Notes to the Financial Statements**

For the year ended December 31, 2019

|   | <b>2019</b>        | <b>2018</b>        |
|---|--------------------|--------------------|
|   | <b>G\$</b>         | <b>G\$</b>         |
| <b>17. Administrative expenses</b>              |                    |                    |
| Accounting and audit fees                       | 2,297,380          | 2,795,051          |
| Advertising                                     | 1,868,500          | 142,602            |
| Bad debts                                       | 3,388,053          | 9,821,081          |
| Bank charges                                    | 1,013,335          | 1,028,833          |
| Building and other rental                       | 550,000            | 247,800            |
| Camera allowance                                | 10,000             | -                  |
| Capital gain tax                                | -                  | -                  |
| Car and motor cycle allowance                   | 2,468,900          | 2,328,191          |
| Cash shortage                                   | -                  | 34,317             |
| Cleaning and sanitation                         | 4,043,794          | 3,718,367          |
| Commission paid                                 | 29,457,703         | 25,517,211         |
| Consultants                                     | 911,584            | 960,000            |
| Depreciation                                    | 12,076,169         | 10,567,670         |
| Director fees                                   | 1,501,200          | 1,740,700          |
| Donations                                       | 572,300            | 402,000            |
| Electricity                                     | 15,423,643         | 12,680,868         |
| Employment costs                                | 94,795,990         | 87,401,280         |
| First aid                                       | -                  | -                  |
| Fuel and lubricants                             | 7,128,376          | 6,247,542          |
| General expenses                                | 914,760            | 644,964            |
| Gratuity and pension                            | 30,802,098         | 19,461,275         |
| Insurance                                       | 2,302,531          | 1,691,017          |
| Leave passage                                   | 10,005,475         | 10,291,744         |
| Legal and professional fees                     | 9,539,300          | 2,159,180          |
| Licence & fitness                               | 88,140             | 97,708             |
| Meals and subsistence                           | 1,985,638          | 2,022,499          |
| New york edition                                | 15,061,500         | 11,799,690         |
| Other   | (343,618)          | 135,425            |
| Outside jobs                                    | 2,869,126          | 3,442,176          |
| Property tax expense                            | 1,961,142          | 1,946,192          |
| Plates, newsprint, films, ink                   | 1,000              | 5,700              |
| Rates and taxes                                 | 7,444,336          | 7,724,603          |
| Repairs and maintenance- building               | 3,086,131          | 4,383,659          |
| Repairs and maintenance- equipment              | 3,967,642          | 4,067,007          |
| Repairs and maintenance- furniture and fittings | 185,807            | 30,168             |
| Repairs and maintenance- vehicle                | 3,801,747          | 3,549,039          |
| Security  | 15,120,904         | 15,483,582         |
| Small tools                                     | 68,110             | 10,234             |
| <b>Balance c/f</b>                              | <b>286,368,696</b> | <b>254,579,375</b> |

**Guyana National Newspapers Limited**

**Notes to the Financial Statements**

For the year ended December 31, 2019

|  | 2019               | 2018               |
|--|--------------------|--------------------|
|  | G\$                | G\$                |
| <b>17. Administrative expenses (Cont'd)</b>  |                    |                    |
| Bal b/f                                      | 286,368,696        | 254,579,375        |
| Subscription Accounts - Bodies               | 560,300            | 767,778            |
| Stationery and office supplies               | 4,679,876          | 4,000,186          |
| Stipend, incentives, uniform and training    | 842,988            | 591,855            |
| Telephone                                    | 5,370,334          | 6,912,134          |
| Travelling and transportation                | 2,751,780          | 4,159,254          |
| Withholding tax                              | 43,963             | 129,258            |
|  | <b>300,617,937</b> | <b>271,139,840</b> |
| <b>18. Circulation expenses</b>              |                    |                    |
| Cleaning and sanitation                      | -                  | 14,800             |
| Employment costs                             | 9,280,764          | 9,340,479          |
| General expenses                             | 201,265            | 9,700              |
| Meals and subsistence                        | 919,979            | 423,101            |
| Newspaper delivery                           | 11,119,048         | 10,555,032         |
| Outside jobs                                 | 2,913,038          | 1,797,079          |
| Repairs and maintenance- building            | 30,250             | 4,660              |
| Repairs and maintenance- plant & equipment   | -                  | 330                |
| Repairs and maintenance- vehicle             | 3,000              | 8,740              |
| Stationery and office supplies               | 543,585            | 677,558            |
| Telephone                                    | 103,444            | 22,000             |
| Transportation                               | 397,626            | 239,050            |
|  | <b>25,511,999</b>  | <b>23,092,529</b>  |
| <b>19. Net (Loss)/profit before taxation</b> |                    |                    |
| <b>(a) Net profit before taxation</b>        | <b>12,174,503</b>  | <b>22,936,548</b>  |
| <i>After charging</i>                        |                    |                    |
| Auditor's remuneration                       | 2,808,290          | 2,273,100          |
| Bad debts                                    | 3,388,053          | 9,821,081          |
| Depreciation                                 | 12,076,169         | 10,567,670         |
| Director's remuneration                      | 1,501,200          | 1,740,700          |
| Interest income                              | (302,527)          | (633,791)          |
| Rental income                                | (1,377,000)        | (1,752,000)        |

**Guyana National Newspapers Limited**  
**Notes to the Financial Statements**  
For the year ended December 31, 2019

|   | 2019              | 2018              |
|---|-------------------|-------------------|
|   | G\$               | G\$               |
| <b>20. Taxation</b>   |                   |                   |
| The estimated tax charged for the year is made up as follows: |                   |                   |
| <b>Current year</b>   |                   |                   |
| Corporation tax   | 5,929,484         | 7,373,437         |
| Deferred tax asset  | (2,066,988)       | (3,101,739)       |
| <b>Accounting tax charge</b>                                  | <b>3,862,496</b>  | <b>4,271,698</b>  |
| <i>Reconciliation of effective tax rate</i>                   |                   |                   |
| <b>Profit before tax</b>                                      | <b>12,174,503</b> | <b>22,936,548</b> |
| Corporation Tax   | 3,347,988         | 6,307,551         |
| Add: Depreciation   | 3,320,946         | 2,906,109         |
| Withholding   | 12,090            | 35,546            |
| Property tax  | 539,314           | 535,203           |
|   | <b>7,220,338</b>  | <b>9,784,409</b>  |
| Less: Wear & Tear allowance                                   | (3,003,167)       | (3,406,638)       |
| Interest received   | (83,195)          | (174,293)         |
| Capital gains tax   | 51,891            |                   |
| Deferred tax adjustment                                       | 1,712,692         | 1,169,959         |
| Deferred tax prior year adjustment                            | 30,925            |                   |
| Loss relief utilised  | (2,066,988)       | (3,101,739)       |
| Corporation tax   | <b>3,862,496</b>  | <b>4,271,698</b>  |
| <b>21. Earnings per share</b>                                 |                   |                   |
| Profit attributable to shareholders                           | 6,245,019         | 15,563,111        |
| Weighted average number of ordinary shares in issue           | 2,448,000         | 2,448,000         |
| <b>Basic earnings per share</b>                               | <b>2.55</b>       | <b>6.36</b>       |
| <b>22. Related party transactions</b>                         | <b>2019</b>       | <b>2018</b>       |
| <b>(a) Key management compensation</b>                        | <b>G\$</b>        | <b>G\$</b>        |
| Short term remuneration                                       | -                 | 24,980,950        |
| <b>(b) Director's remuneration</b>                            |                   |                   |
| A. Fraser   | 75,000            | 205,000           |
| A. Panday   | 105,000           | -                 |
| B. Alert  | 90,000            | 105,000           |
| B. Wilkinson  | -                 | 60,000            |
| D. Gardener   | 105,000           | -                 |
| E. Leonard  | 105,000           | -                 |
| G. Mahipaul   | 105,000           | -                 |
| G. Chandan-Edmonds  | 100,500           | 265,700           |
| <b>Balance c/f</b>  | <b>685,500</b>    | <b>1,050,700</b>  |

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**22. Related party transactions (Cont'd)**

| <b>(b) Director's remuneration (Cont'd)</b> | <b>2019</b>      | <b>2018</b>      |
|---|------------------|------------------|
|   | <b>G\$</b>       | <b>G\$</b>       |
| Balance c/f                                 | 685,500          | 1,050,700        |
| <i>H. Foster</i>                            | 75,000           | 205,000          |
| <i>J. Butts</i>                             | 135,000          | 105,000          |
| <i>J. Fernandes</i>                         | 230,700          | 105,000          |
| <i>K. Chand</i>                             | 90,000           | 105,000          |
| <i>K. Davis</i>                             | -                | 60,000           |
| <i>M. Williams</i>                          | 75,000           | 105,000          |
| <i>N. Trotman</i>                           | 105,000          | -                |
| <i>N. Seoraj</i>                            | 30,000           | -                |
| <i>R. Johnson</i>                           | -                | 60,000           |
| <i>S. Boyce</i>                             | -                | 100,000          |
| <i>S. Duncan</i>                            | -                | 100,000          |
| <i>T. Edmondson</i>                         | -                | 100,000          |
| <i>T. Moore</i>                             | 75,000           | -                |
| <i>T. Sarabo Halley</i>                     | -                | 60,000           |
|   | <b>1,501,200</b> | <b>1,740,700</b> |

**23. Financial instruments**

**(a) Credit risk**

There is a concentration of credit risk with respect to trade receivables which are due primarily from the Government of Guyana agencies and departments. The company's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors management believes that no additional credit risks beyond amounts provided for collection losses is applicable in the company's trade receivables.

**(b) Fair values**

The face value less any estimated credit adjustments for the financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

**(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.

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**23. Financial instruments (Cont'd)**

**(c) Liquidity risk (Cont'd)**

|                             | Maturing 2019       |            |              |                    |
|-----------------------------|---------------------|------------|--------------|--------------------|
|                             | Less than 1<br>year | 1- 5 years | Over 5 years | Total              |
| <b>Assets</b>               |                     |            |              |                    |
| Accounts Receivables        | 205,077,139         | -          | -            | 205,077,139        |
| Cash and cash equivalents   | 43,978,858          | -          | -            | 43,978,858         |
|                             | <b>249,055,997</b>  | <b>-</b>   | <b>-</b>     | <b>249,055,997</b> |
| <b>Liabilities</b>          |                     |            |              |                    |
| Trade payables              | 7,757,160           | -          | -            | 7,757,160          |
| Other payables and accruals | 17,001,673          | -          | -            | 17,001,673         |
| Vat payable                 | 3,734,196           | -          | -            | 3,734,196          |
| Taxation payable            | 123,427             | -          | -            | 123,427            |
| Related party               | 36,000,000          | -          | -            | 36,000,000         |
|                             | <b>64,616,456</b>   | <b>-</b>   | <b>-</b>     | <b>64,616,456</b>  |
| <b>Net gap</b>              | <b>184,439,541</b>  | <b>-</b>   | <b>-</b>     | <b>184,439,541</b> |
|                             |                     |            |              |                    |
|                             | Maturing 2018       |            |              |                    |
|                             | Less than 1<br>year | 1- 5 years | Over 5 years | Total              |
| <b>Assets</b>               |                     |            |              |                    |
| Accounts Receivables        | 127,532,913         | -          | -            | 127,532,913        |
| Cash and cash equivalents   | 105,601,476         | -          | -            | 105,601,476        |
|                             | <b>233,134,389</b>  | <b>-</b>   | <b>-</b>     | <b>233,134,389</b> |
| <b>Liabilities</b>          |                     |            |              |                    |
| Trade payables              | 7,415,292           | -          | -            | 7,415,292          |
| Other payables and accruals | 21,204,003          | -          | -            | 21,204,003         |
| Vat payable                 | 3,919,414           | -          | -            | 3,919,414          |
| Taxation payable            | 55,588              | -          | -            | 55,588             |
| Related party               | 36,000,000          | -          | -            | 36,000,000         |
|                             | <b>68,594,297</b>   | <b>-</b>   | <b>-</b>     | <b>68,594,297</b>  |
| <b>Net gap</b>              | <b>164,540,092</b>  | <b>-</b>   | <b>-</b>     | <b>164,540,092</b> |