



Audit Office of Guyana

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AG:83/2023

27 March 2023

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 2021

Opinion

Chartered Accountants Chateram Ramdihal Chartered Accountants, Professional Services Firm have audited on my behalf the financial statements of Guyana National Newspapers Limited, which comprise the statement of financial position as at 31 December 2021, and the statement of income, 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 pages 4 to 22.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Guyana National Newspapers Limited as at 31 December 2021, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 1991.

Basis for Opinion

I 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 Statement section of my report. I am independent of the Company in accordance with the ethical requirement 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 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 6 of the financial statements which shows the Company's trade receivables and other receivables and prepayments with a value of \$222.41M and \$7.76M, respectively, as at 31 December 2021. This 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.

Responsibility of Management and those charged with the Governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 operation, 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, 2021 the statement of income, 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, 2021, 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 6 of the financial statements which shows the Company's trade receivables and other receivables and prepayments with a value of G\$222.41M and G\$7.76M, respectively, as at December 31, 2021. 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 & Delph Avenue,
Campbellville,
Georgetown, Guyana

March 24, 2023

Guyana National Newspapers Limited
Statement of Financial Position
As at December 31, 2021

	Notes	2021 G\$	2020 G\$
Assets			
Non-current assets			
Property, plant & equipment	4	85,420,182	78,217,653
Total non-current assets		85,420,182	78,217,653
Current assets			
Inventories	5	62,387,166	48,558,081
Deferred taxation		3,932,979	7,600,310
Tax recoverable		-	2,176,880
Work in progress		4,065,400	4,065,400
Accounts receivables	6	230,167,615	244,875,381
Cash and cash equivalents	7	101,652,329	52,956,039
Total current assets		402,205,489	360,232,091
Total assets		487,625,671	438,449,744
Equity & Liability			
Equity			
Share capital	8	244,800	244,800
Capital reserve		1,637,796	1,637,796
Retained earnings		299,362,657	275,551,479
Total equity and liabilities		301,245,253	277,434,075
Non-current liabilities			
Related party	9	36,000,000	36,000,000
Deferred income	10	14,606,535	3,907,249
Total non-current liabilities		50,606,535	39,907,249
Current liabilities			
Trade payables	11	8,646,219	10,848,251
Other payables and accruals	12	108,148,704	74,121,577
Vat payable	13	8,165,148	26,822,267
Taxation payable		1,596,530	108,112
Deferred taxation	14	9,217,282	9,208,213
Total current liabilities		135,773,883	121,108,420
Total liabilities		186,380,418	161,015,669
Total equity & liabilities		487,625,671	438,449,744

On behalf of the Board of Directors:


Director


Company Secretary

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

Guyana National Newspapers Limited
Statement of Income
For the year ended December 31, 2021

	Notes	2021 G\$	2020 G\$
Income			
Advertising		333,595,513	282,473,231
Newspapers circulation		67,450,473	95,329,709
Job printing		61,141,595	56,328,741
Total income		462,187,581	434,131,681
Production expenses	15	135,632,927	143,520,466
Gross profit		326,554,654	290,611,215
Other income	16	6,617,864	4,919,690
Operating profit		333,172,518	295,530,905
Other expenses			
Administrative expenses	17	276,875,956	304,537,420
Circulation expenses	18	25,107,110	25,910,276
Total expenses		301,983,066	330,447,696
Profit/(loss) before taxation	19	31,189,452	(34,916,791)
Taxation	20	(7,334,663)	8,324,027
Profit/(loss) after taxation		23,854,789	(26,592,764)

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, 2021

	Share capital	Capital reserves	Retained earnings	Total
	G\$	G\$	G\$	G\$
Balance at January 1, 2020	244,800	1,637,796	302,190,058	304,072,654
Loss for the year	-	-	(26,592,764)	(26,592,764)
Adjustment			(45,815)	(45,815)
Balance at December 31, 2020	244,800	1,637,796	275,551,479	277,434,075
Profit for the year	-	-	23,854,789	23,854,789
Adjustment			(43,611)	(43,611)
Balance at December 31, 2021	244,800	1,637,796	299,362,657	301,245,253

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, 2021

	2021	2020
	G\$	G\$
Cash flows from operating activities		
Net profit/(loss) before taxation	31,189,452	(34,916,791)
<i>Adjustments for:</i>		
Add: Depreciation	11,720,774	9,762,537
Deferred Income	10,699,286	(205,645)
Interest income	(363,930)	(250,717)
Gain on disposal	-	(1,200,000)
Prior year adjustment	-	(67,877)
Operating profit/(loss) before working capital changes	53,245,582	(26,878,493)
Increase in inventories	(13,829,085)	(7,911,817)
Decrease/(increase) in trade and other receivables	14,707,766	(39,798,242)
Decrease in trade and other payables	31,825,095	60,210,995
(Decrease)/ increase in vat payable	(18,657,119)	23,088,071
Cash used in operations	67,292,239	8,710,514
Tax paid	(36,576)	(51,891)
Net cash flow from operating activities	67,255,663	8,658,623
Cash flows from investing activities		
Purchase of non-current assets	(18,923,303)	(1,132,156)
Proceeds from sale of assets	-	1,200,000
Investment income - interest net of withholding tax	363,930	250,715
Net cash flows from investing activities	(18,559,373)	318,559
Net increase in cash and cash equivalents	48,696,290	8,977,182
Cash and cash equivalents at January 1,	52,956,039	43,978,857
Cash and cash equivalents at December 31,	101,652,329	52,956,039
Cash and cash equivalents as shown on the statement of financial position		
Cash in bank	100,193,672	51,397,768
Cash on hand	1,458,657	1,558,271
Cash and cash equivalents at December 31,	101,652,329	52,956,039

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, 2021

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 23rd day of March, 2023.

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 financial year.

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)

Guyana National Newspapers Limited
Notes to the Financial Statements
For the year ended December 31, 2021

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 3 Business Combinations - Amendments to IFRS 3 (effective January 1, 2022)

IAS 1 Presentation of Financial Statements - Amendments to IAS 1 (effective January 1, 2023)

IFRS 3 Business Combinations - Amendments to IFRS 3 (effective January 1, 2022)

IAS 16 Property, Plant and Equipment - Amendments to IAS 16 (effective January 1, 2022)

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments to IAS 37 (effective January 1, 2022)

IFRS 17 Insurance Contracts (effective January 1, 2023)

IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter (effective January 1, 2022)

IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities (effective January 1, 2022)

IAS 41 Agriculture - Taxation in fair value measurements (effective January 1, 2022)

(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:

	Rate
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.	

Guyana National Newspapers Limited
Notes to the Financial Statements
For the year ended December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) 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.

(d) 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.

(e) 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.

(f) Cash and cash equivalents

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

(g) Trade payables

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

(h) 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.

(i) Expenditure recognition

Expenses are recognised when the goods and services are received.

(j) 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.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) 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.

(l) 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.

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, 2021

4. Property, plant and equipment	Freehold Land	Building	Motor Vehicles	Furniture & Fittings	Plant & Equipment	Total
	G\$	G\$	G\$	G\$	G\$	G\$
Cost						
At January 01, 2020	111,715	47,901,358	28,421,750	56,954,238	199,990,398	333,379,459
Additions	-	535,530	-	111,558	485,068	1,132,156
Disposals	-	-	(3,880,000)	-	-	(3,880,000)
Adjustment	-	-	-	67,880	-	67,880
At December 31, 2020	111,715	48,436,888	24,541,750	57,133,676	200,475,466	330,699,495
Additions	-	1,032,290	-	54,600	17,836,413	18,923,303
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
At December 31, 2021	111,715	49,469,178	24,541,750	57,188,276	218,311,879	349,622,798
Depreciation						
At January 01, 2020	-	21,966,689	23,484,250	22,995,405	178,107,146	246,553,490
Charges for the year	-	1,489,257	2,087,500	1,701,218	4,484,562	9,762,537
Write back on disposals	-	-	(3,880,000)	-	-	(3,880,000)
Transfer	-	-	-	-	45,815	45,815
At December 31, 2020	-	23,455,946	21,691,750	24,696,623	182,637,523	252,481,842
Charges for the year	-	1,523,632	1,425,000	1,618,890	7,153,252	11,720,774
Write back on disposals	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
At December 31, 2021	-	24,979,578	23,116,750	26,315,513	189,790,775	264,202,616
Net book values						
At December 31, 2021	111,715	24,489,600	1,425,000	30,872,763	28,521,104	85,420,182
At December 31, 2020	111,715	24,980,942	2,850,000	32,437,053	17,837,943	78,217,653

Guyana National Newspapers Limited
Notes to the Financial Statements
For the year ended December 31, 2021

	2021	2020
	G\$	G\$
5. Inventories		
Newprint in bond	18,666,300	19,120,905
Other materials in bond	34,701,094	20,093,259
Stationery-pens, pencil, etc	4,834,613	5,157,546
Spares-Motor Vehicles, Press pt	5,773,866	5,775,078
Loose tools	512,260	512,260
Less: provision for obsolete stocks	(2,100,967)	(2,100,967)
Total inventories	62,387,166	48,558,081
6. Accounts Receivable		
(a). Trade Receivables		
Advertising debtors- Local	77,678,583	61,773,755
Circulation Agent Debtors-Local	19,784,379	21,022,832
Jobbing debtors	35,778,463	37,013,498
Hold over-debtors	76,180,417	78,569,432
Subscribers-Local	38,545,627	34,059,318
Other debtors	17,148,129	45,249,110
	265,115,598	277,687,945
Less: provision for bad debts	(42,709,789)	(41,372,724)
Total trade receivables	222,405,809	236,315,221
(b). Other receivables and prepayments		
Staff debtors	5,144,605	6,566,799
Heidelberg Debtors	93,669	93,669
Pre-Payments	880,757	206,786
Dishonoured cheques	1,239,877	1,202,082
Other debtors	(40,840)	47,086
Foreign receivables	443,738	443,738
	7,761,806	8,560,160
Less: provision for bad debts	-	-
Total other receivables and prepayments	7,761,806	8,560,160
7. Cash & cash equivalents		
Cash at bank	100,193,672	51,397,768
Cash in hand	1,458,657	1,558,271
Total	101,652,329	52,956,039

Guyana National Newspapers Limited
Notes to the Financial Statements
For the year ended December 31, 2021

	2021 G\$	2020 G\$
8. Share Capital		
Authorised Ordinary Shares	7,500,000	7,500,000
Issued Ordinary Shares	2,448,000	2,448,000
Issued ordinary shares at stated value	244,800	244,800
The shareholders of the company are:		
National Industrial & Commercial Investments Limited	2,203,200	2,203,200
Other shareholders	244,800	244,800
Total	2,448,000	2,448,000

9. 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.

	2021 G\$	2020 G\$
(a) Related party balances		
<i>Non-Current Liability</i>		
<i>National Industrial & Commercial Investments Limited</i>	36,000,000	36,000,000
	36,000,000	36,000,000

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, 2021, this agreement is pending and to be agreed upon by both parties.

Guyana National Newspapers Limited
Notes to the Financial Statements
For the year ended December 31, 2020

Related party transactions

	2021	2020
	G\$	G\$
(a) Key management compensation		
Short term remuneration	-	-
(b) Director's remuneration		
<i>A. Fraser</i>		
<i>A. Panday</i>	-	105,000
<i>A. Seelochan</i>	60,000	-
<i>D. Gardener</i>	-	105,000
<i>E. Leonard</i>	-	105,000
<i>G. Mahipaul</i>	-	105,000
<i>H. Gill</i>	180,000	60,000
<i>I. Badal</i>	120,000	60,000
<i>J. Abdhulla</i>	180,000	60,000
<i>J. Fernandes</i>	-	140,700
<i>K. Chand</i>	-	-
<i>M. Williams</i>	-	-
<i>N. Trotman</i>	-	105,000
<i>N. Seoraj</i>	-	105,000
<i>N. Williams</i>	220,800	60,000
<i>P. Bentham</i>	60,000	-
<i>R. Aaron</i>	180,000	60,000
<i>S. Boyce</i>	120,000	60,000
<i>T. Bruce</i>	60,000	-
<i>T. Edmondson</i>	-	-
<i>T. Moore</i>	-	135,000
<i>V. Narine</i>	180,000	60,000
<i>Y. Mahadeo</i>	80,400	80,400
	1,441,200	1,406,100

10. Deferred Income

(a) Furniture and fittings

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 income 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 income.

(b) Computer - To- Plate Machine

Guyana National Newspaper Limited received a government grant of \$13.6M which was used to facilitate the purchase of a CTP machine. This grant is not repayable and was recorded as deferred income and non-current assets in the financial statements. It is recognised on a systematic basis over a five (5) years period to match the related cost. There are no conditions and/or contingencies that must be met in relation to the grant.

Guyana National Newspapers Limited
Notes to the Financial Statements
For the year ended December 31, 2021

	2021	2020
	G\$	G\$
10. Deferred Income (cont'd)		
Fair value of non-current assets	17,525,559	4,112,894
Depreciation charges - Furniture and fittings	(195,362)	(205,645)
Depreciation charges - Plant and machinery	(2,723,662)	-
Balance as at December 31,	14,606,535	3,907,249
11. Trade payables		
Local suppliers	2,849,269	4,821,719
Foreign suppliers	5,796,950	6,026,532
Total	8,646,219	10,848,251
12. Other payables and accruals		
CCWU canteen	6,785	6,785
Credit union dues	1,651,447	1,393,419
Damages (legal)	55,500,000	52,500,000
Electricity	917,620	1,031,524
General suspense	3,254	3,254
Insurance premium	4,862	2,862
Medical scheme	(30,211)	(22,346)
NIS	1,355,052	1,378,349
Others	39,440,672	10,216,098
Paye- Cir	3,909,347	2,739,424
Property tax	815,722	840,461
Sports club	258,320	258,320
Staff welfare scheme	1,288,137	1,193,732
Telephone	150,066	162,048
Unpresented/ defected/ stale cheque	2,677,386	2,396,661
Wages and salaries payable	200,245	20,986
Total	108,148,704	74,121,577
13. VAT Payable		
Output VAT	803,106,025	745,428,644
Input VAT	794,940,877	718,606,377
VAT Payable	8,165,148	26,822,267
14. 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.

Guyana National Newspapers Limited
Notes to the Financial Statements
For the year ended December 31, 2021

14. Deferred taxation (cont'd)

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

Less: accounting base

-	-
85,420,182	86,848,034
(85,420,182)	(86,848,034)
(21,355,046)	(21,712,009)

Tax rate at 25%

	Non-current Assets	Adjusted tax losses	Net total
As at January 1, 2020	36,219	10,004,725	10,040,944
Movements during the year	7,564,091	(796,512)	6,767,579
As at December 31, 2020	7,600,310	9,208,213	16,808,523
Movements during the year	(3,667,331)	9,069	(3,658,262)
As at December 31, 2021	3,932,979	9,217,282	13,150,261

15 Production expenses

	2021 G\$	2020 G\$
Camera allowance	450,000	540,911
Car and bicycle allowances	2,614,875	3,147,485
Cleaning and sanitation	1,400	34,200
Employment costs	78,630,513	81,909,964
Freelance writer	16,093,921	16,971,139
Fuel and lubricants	459,170	53,000
Meals and subsistence	928,750	1,426,560
Outside job	481,900	36,980
Plates, newsprint, ink, film	35,410,605	38,018,961
Repairs and maintenances- building	-	2,000
Repairs and maintenances- equip, furniture and fittings	63,327	16,692
Repairs and maintenances- motor vehicle	16,320	6,320
Stationery and office supplies	165,826	411,705
Telephone	58,000	76,500
Travelling and transportation	258,320	868,050
Total	135,632,927	143,520,466

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	2021	2020
	G\$	G\$
16. Other income		
Administration income	-	50,000
Bank interest	363,930	250,715
Cash overage	93,975	731,446
Miscellaneous	2,897,321	726,340
Rental	1,812,000	1,027,000
Sale of asset	-	1,200,000
Sale of cut to size paper	1,450,638	934,189
Total	6,617,864	4,919,690
17. Administrative expenses		
Accounting and audit fees	2,280,000	2,280,000
Advertising	-	440,500
Bad debts	2,869,994	4,281,607
Bank charges	504,222	1,251,309
Building and other rental	-	490,000
Car and motor cycle allowance	3,714,910	2,459,450
Cleaning and sanitation	2,786,408	1,966,547
Commission paid	41,956,237	17,650,623
Consultants	2,455,640	1,640,000
Depreciation	11,525,412	9,556,892
Director fees	1,441,200	1,406,100
Donations	134,901	583,770
Electricity	11,761,759	12,860,876
Employment costs	87,447,548	89,752,120
Fuel and lubricants	4,288,691	4,337,973
General expenses	851,197	301,469
Gratuity and pension	15,105,937	19,693,775
Insurance	698,386	1,536,738
Indirect Production Materials	140,200	66,374
Leave passage	10,861,522	11,315,817
Legal and professional fees	30,933,460	54,768,000
Licence & fitness	45,887	88,965
Meals and subsistence	988,260	885,974
Other	686,307	(68,013)
Outside jobs	773,868	19,190,836
Property tax expense	1,668,743	1,693,482
Plates, newsprint, films, ink	3,915	4,000
Rates and taxes	7,180,541	7,264,008
Repairs and maintenance- building	3,091,743	2,146,422
Repairs and maintenance- equipment	3,377,146	3,897,998
Repairs and maintenance- furniture and fittings	170,226	204,540
Balance c/f	249,744,260	273,948,152

Guyana National Newspapers Limited
Notes to the Financial Statements
For the year ended December 31, 2021

	2021	2020
	G\$	G\$
17. Administrative expenses (cont'd)		
Bal b/f	249,744,260	273,948,152
Repairs and maintenance- vehicle	2,145,034	2,496,908
Security	12,912,002	15,239,986
Subscription Accounts - Bodies	463,824	172,400
Stationery and office supplies	3,796,096	3,261,896
Stock losses	832,379	2,623,673
Stipend, incentives, uniform and training	1,986,178	1,563,860
Telephone	4,571,204	4,391,296
Travelling and transportation	348,950	789,200
Withholding tax	76,029	50,049
Total	276,875,956	304,537,420
18. Circulation expenses		
Cleaning and sanitation	33,420	-
Employment costs	11,571,458	9,930,342
General expenses	13,600	103,824
Meals and subsistence	209,725	710,319
Newspaper delivery	10,479,191	10,799,133
Outside jobs	2,236,279	3,546,144
Repairs and maintenance- vehicle	1,700	-
Stationery and office supplies	394,037	446,414
Telephone	32,000	30,000
Transportation	135,700	344,100
Total	25,107,110	25,910,276
19. Net (loss)/profit before taxation		
(a) Net (loss)/profit before taxation	31,189,452	(34,916,791)
<i>After charging</i>		
Auditor's remuneration	2,379,120	2,808,290
Bad debts	2,869,994	4,281,607
Depreciation	11,525,412	9,556,892
Director's remuneration	1,441,200	1,406,100
Interest income	(363,930)	(250,715)
Rental income	(1,812,000)	(1,027,000)

Guyana National Newspapers Limited
Notes to the Financial Statements
For the year ended December 31, 2021

	2021	2020
	G\$	G\$
20. Taxation		
The estimated tax charged for the year is made up as follows:		
Current year		
Corporation tax	8,084,663	(8,310,351)
Deferred tax asset	(3,658,262)	-
Accounting tax charge	4,426,401	(8,310,351)
 <i>Reconciliation of effective tax rate</i>		
Profit before tax	31,189,452	(34,916,791)
 Corporation Tax	7,797,363	(8,729,198)
Add: Depreciation	2,881,353	2,389,223
Withholding	19,007	12,512
Property tax	417,186	423,371
	11,114,909	(5,904,092)
Less: Wear & Tear allowance	(2,939,263)	(1,583,644)
Interest received	(90,983)	(62,679)
Capital gains tax	-	36,576
Taxable profit/loss	8,084,663	(7,513,839)
 Deferred tax adjustment	(3,658,262)	(796,512)
Corporation tax	4,426,401	(8,310,351)
 21. Earnings per share		
Profit attributable to shareholders	23,854,789	(26,592,764)
Weighted average number of ordinary shares in issue	2,448,000	2,448,000
Basic earnings per share	9.74	(10.86)

22. 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.

Guyana National Newspapers Limited
Notes to the Financial Statements
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22. Financial instruments 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.

25. Financial instruments (Cont'd)

(c) Liquidity risk (Cont'd)

	Maturing 2021			
	Less than 1 year	1- 5 years	Over 5 years	Total
Assets				
Accounts Receivables	230,167,615	-	-	230,167,615
Cash and cash equivalents	101,652,329	-	-	101,652,329
	331,819,944	-	-	331,819,944
Liabilities				
Trade payables	8,646,219	-	-	8,646,219
Other payables and accruals	108,148,704	-	-	108,148,704
Vat payable	8,165,148	-	-	8,165,148
Taxation payable	1,596,530	-	-	1,596,530
Related party	36,000,000	-	-	36,000,000
	162,556,601	-	-	162,556,601
Net gap	169,263,343	-	-	169,263,343
	Maturing 2020			
	Less than 1 year	1- 5 years	Over 5 years	Total
Assets				
Accounts Receivables	244,875,381	-	-	244,875,381
Cash and cash equivalents	52,956,039	-	-	52,956,039
	297,831,420	-	-	297,831,420

Guyana National Newspapers Limited
Notes to the Financial Statements
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Liabilities

Trade payables	10,848,251	-	-	10,848,251
Other payables and accruals	74,121,577	-	-	74,121,577
Vat payable	26,822,267	-	-	26,822,267
Taxation payable	108,112	-	-	108,112
Related party	36,000,000	-	-	36,000,000

	147,900,207	-	-	147,900,207
Net gap	149,931,213	-	-	149,931,213