

**AUDITED FINANCIAL STATEMENTS OF THE
GUYANA POST OFFICE CORPORATION**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

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

AUDITED FINANCIAL STATEMENTS OF THE
GUYANA POST OFFICE CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2021

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Audit Office of Guyana

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186/PC:53/2/2023

28 March 2023

Ms. Karen Brown
Postmaster General
Guyana Post Office Corporation
Robb Street
Georgetown.

Dear Ms. Brown,

AUDIT OF THE FINANCIAL STATEMENTS
OF THE GUYANA POST OFFICE CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2021

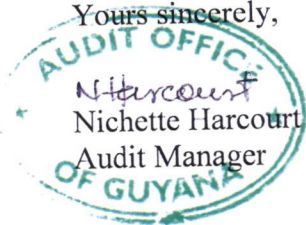
Please find attached ten copies of the audited financial statements of the Guyana Post Office Corporation for the year ended 31 December 2021, together with the report of the Auditor General thereon.

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

With best regards.

Yours sincerely,

N. Harcourt
Nichette Harcourt
Audit Manager





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AG: 89/2023

28 March 2023

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS ON THE GUYANA POST OFFICE CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2021

Disclaimer of Opinion

I have audited the accompanying financial statements of the Guyana Post Office Corporation which comprise the statement of financial position as at 31 December 2021, and the statement comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements and a summary of significant accounting policies as set out on pages 1 to 24.

I do not express an opinion on the accompanying financial statements of the Guyana Post Office Corporation. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

Property, Plant and Equipment

The title deeds for properties with net book values totaling \$201,490,930 were not available and a list of office furniture and equipment and motor vehicles with net book values of \$78,998,543 and \$19,508,410 respectively were not available for audit verification. I am therefore uncertain of the ownership, existence and valuation of property and equipment stated at \$299,997,882 in the financial statements.

Amounts owed by Agencies

I was unable to ascertain the accuracy of amounts owing by Agencies amounting to \$199,803,646 since independent confirmation of balances requested were not all obtained. This amount includes amounts brought forward from previous years. Further, provision for bad and doubtful debts was not assessed. There were no satisfactory alternative audit procedures that I could have adopted to determine the accuracy of this amount.

Inventory

The Corporation had inventory of \$91,855,555 as at 31 December 2021. Inventory schedules detailing quantities and cost were not available for audit verification. I was therefore unable to determine the accuracy, completeness, and valuation of inventories in the financial statements.

Amounts owed to Agencies

The Corporation had \$1,736,531,395 owing to Agencies. I was unable to verify the accuracy of this amount since independent confirmations sent out were not all responded to. Further, no details and reconciliation statements of Agency balances were provided. Consequently, there were no satisfactory alternative audit procedures that I could have adopted to determine the accuracy of this amount.

Equity

Included in the statement of financial position is a static amount of \$9,311,355 coming forward from previous years representing Government of Guyana contribution. This amount should have been converted to debentures or debentures stock of such nominal value bearing such interest rates and repayment dates as may be agreed upon. As stated in note 20, the debentures were not issued and interest and repayment terms not agreed. I was therefore uncertain of the classification of this amount.

Payable and Accruals

Included in accounts payable and accruals balance of \$217,351,623 is an amount of \$24,636,922 that could not have been verified since schedules and confirmation of balances owed by the Corporation were not all provided for audit scrutiny. I am therefore unable to determine whether accounts payable and accruals were fairly stated in the financial statements.

Pension

The Guyana Post Office Corporation did not participate in a formal pension plan. As stated in note 2 (e) to the financial statements, persons employed prior to 1 January 1977 were paid pensions and gratuities by the Ministry of Finance for the period prior to 1 January 1977 and by the Post Office from 1 January 1977 to date of retirement. The Corporation calculated pensions for staff employed after 1 January 1977 at the date of their retirement and payments were made when due. Provision was not made in the financial statements for any future pension liability.

Taxation Recoverable

I was unable to determine the accuracy of the taxation recoverable amount of \$153,905,131 as stated in note 14. This amount is overstated by \$14,267,726, since a tax liability statement from the Guyana Revenue Authority confirms tax overpaid and recoverable by the Guyana Post Office Corporation is \$139,637,405.

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

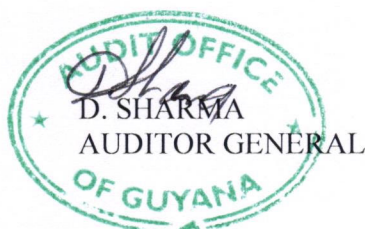
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of the financial statements that are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

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

My Responsibility is to conduct an audit of the Corporation's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.



AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

GUYANA POST OFFICE CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

<u>ASSETS</u>	<u>Notes</u>	<u>2021</u> G\$	<u>2020</u> G\$
Non Current Assets			
Tangible Fixed Assets	13	299,997,882	284,233,246
Total Non Current Assets		299,997,882	284,233,246
Current Assets			
The Revenue Authority	14	153,905,131	153,905,131
Inventories	15	91,855,555	87,677,741
Amount owed by Agencies	16	199,803,646	83,409,648
Receivables	19	772,597,389	751,273,608
Cash	18(a)	967,271,118	304,564,171
Cash in Transit	18(b)	549,637,973	484,557,367
Bank	18(c)	766,105,137	593,740,930
Total Current Assets		3,501,175,949	2,459,128,596
TOTAL ASSETS		3,801,173,831	2,743,361,842
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserve			
Government of Guyana Contribution	20	9,311,355	9,311,355
Accumulated Deficit		(355,546,804)	(533,681,818)
Total Capital and Reserve		(346,235,449)	(524,370,463)
Current Liabilities			
Amount owing to Agencies	17	1,736,531,395	872,408,242
Payables	21	217,351,623	227,694,341
Taxes Payable	23(i)	91,523,185	65,626,645
Total Current Liabilities		2,045,406,203	1,165,729,228
Long-Term Liabilities	23(ii)	2,102,003,077	2,102,003,077
TOTAL EQUITY AND LIABILITIES		3,801,173,831	2,743,361,842

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

The financial statements were approved for The Guyana Post Office Corporation by:

Postmaster General - Guyana Post Office Corporation

Date 27/3/2023

Permanent Secretary - Office of the Prime Minister

Date 2023-03-27

Permanent Secretary
OFFICE OF THE PRIME MINISTER

GUYANA POST OFFICE CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Notes</u>	<u>2021</u> G\$	<u>2020</u> G\$
Income	5	1,445,736,153	1,353,527,066
Operating Expenses	6	<u>224,063,822</u>	<u>210,833,087</u>
Profit from Operations		1,221,672,331	1,142,693,979
Employment costs	7	760,734,138	750,401,810
Conveyance of mail	8	35,467,144	33,199,950
Administrative Expenses	9	205,514,460	196,964,411
Depreciation	10	23,035,707	17,592,116
Withholding tax		48,389	116,781
Other Expense	11	<u>50,000</u>	<u>145,517</u>
Total Expenditure for the year		<u>1,024,849,838</u>	<u>998,420,585</u>
Net Profit from operations		196,822,493	144,273,394
Other Income	12	<u>7,209,061</u>	<u>29,321,190</u>
Profit before taxation		204,031,554	173,594,584
Corporation tax	23	<u>25,896,540</u>	<u>21,209,004</u>
Profit for the year		<u><u>178,135,014</u></u>	<u><u>152,385,580</u></u>

GUYANA POST OFFICE CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

	Government of Guyana Contribution G\$	Accumulated Surplus/(Deficit) G\$	Total G\$
Balance - January 1, 2020	9,311,355	(686,067,398)	(676,756,043)
Net comprehensive Profit for the year	<u>-</u>	<u>152,385,580</u>	<u>152,385,580</u>
Balance - December 31, 2020	<u><u>9,311,355</u></u>	<u><u>(533,681,818)</u></u>	<u><u>(524,370,463)</u></u>
Balance - January 1, 2021	9,311,355	(533,681,818)	(524,370,463)
Net comprehensive Profit for the year	<u>-</u>	<u>178,135,014</u>	<u>178,135,014</u>
Balance - December 31, 2021	<u><u>9,311,355</u></u>	<u><u>(355,546,804)</u></u>	<u><u>(346,235,449)</u></u>

GUYANA POST OFFICE CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u> G\$	<u>2020</u> G\$
Cash flow from operating activities		
Net comprehensive Profit/(Loss) before taxation	204,031,554	173,594,584
Adjustment for:		
Depreciation	23,035,707	17,592,116
Gain on disposal	-	-
	<u>23,035,707</u>	<u>17,592,116</u>
Operating Profit/(loss) before working capital changes	227,067,261	191,186,700
(Increase)/Decrease in Inventories	(4,177,814)	(1,221,532)
(Increase) in amounts owing by Agencies	(116,393,998)	(75,798,787)
(Increase) in Receivables and Prepayments	(21,323,781)	(35,454,185)
Increase in amounts owing to Agencies	864,123,153	(88,938,782)
Increase/(Decrease) in Payables and Accruals	(10,342,718)	9,998,897
(Decrease) in Deferred Income	-	(23,392,449)
	<u>711,884,842</u>	<u>(214,806,838)</u>
Cash generated/(used) from operations	938,952,103	(23,620,138)
Taxation		
Taxes paid	-	-
Net cash provided by/(used in) operating activities	938,952,103	(23,620,138)
Cash flow from investing activity		
Disposal of fixed assets	-	-
Purchase of tangible fixed assets	(38,800,343)	(34,108,612)
Net cash used in investing activities	(38,800,343)	(34,108,612)
Net decrease in cash and cash equivalents	900,151,760	(57,728,750)
Cash and cash equivalents - January 1	<u>1,382,862,468</u>	<u>1,440,591,218</u>
Cash and cash equivalents - December 31	<u><u>2,283,014,228</u></u>	<u><u>1,382,862,468</u></u>
Analysis of cash and cash equivalents - December 31		
Cash in hand	967,271,118	304,564,171
Cash in transit	549,637,973	484,557,367
Cash at bank	<u>766,105,137</u>	<u>593,740,930</u>
	<u><u>2,283,014,228</u></u>	<u><u>1,382,862,468</u></u>

GUYANA POST OFFICE CORPORATION
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. Incorporation and activities

The Post Office was established on January 1, 1977 by the Public Corporation (Post Office) Order 1976.

The objectives of the Post Office are:

- (a) To promote the economic development of the post system in accordance with, as far as practicable, standard practice recognized internationally and by public demand.
- (b) To promote a postal system in accordance with Guyana's obligation as a member of the Universal Postal Union.
- (c) To advise the Government on all matters relating to the postal system.
- (d) To act as an agent of the Government, or of any Corporation established under the Act or any other authority established for public purpose in such matters as may be agreed between the Government and The Post Office and any other of the above-mentioned bodies as the case may be, provided that the Post Office can do so appropriately and consistently with its functions under the Act.

2. Significant accounting policies

(a) Statement of Compliance and basis of preparation

The financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (IFRS). They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The areas involving critical accounting estimates or a higher degree of judgement are identified in note 3.

New standards, amendments and interpretations adopted

A number of new standards, amendment to standards and interpretations effective for annual periods beginning on or after January 1, 2022, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements.

GUYANA POST OFFICE CORPORATION
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. Significant accounting policies, continued

(b) Property and equipment

Property and equipment are stated generally at historical cost, except for those measured at fair value, when they are tested for impairment. Historical cost includes expenditure directly attributable to the acquisition of the items.

Property and equipment are tested for impairment whenever there is objective evidence that the carrying amount of the asset may exceed its recoverable amount. Any resulting impairment loss is recognised immediately in the statement of comprehensive income.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the corporation and the cost of the item can be measured reliably. The carrying amount of replaced parts are derecognised. All repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation of other property and equipment is based on their estimated useful lives and is charged from the date of acquisition. Depreciation is provided on the reducing-balance method at the following annual rates:

Buildings	-	5%
Office furniture and equipment	-	10%
Motor vehicles	-	25%

(c) Inventories

Inventories are valued at the lower of cost and net realisable value based on the weighted average method. Cost comprise of the fair value of consideration payable and other costs incurred in bringing the inventories to their present location and condition.

(d) Foreign currency

Foreign currency transactions, other than foreign money orders are translated to Guyana dollars at rates of exchange prevailing at the dates of the transactions.

Foreign money order encashments and sales are translated to Guyana dollars at rates moderately lower and higher respectively than the rates of exchange prevailing at the dates of the transaction.

At Statement of Financial Position date all amounts denominated in foreign currencies are translated to Guyana dollars at the rates of exchange determined by the Universal Postal Union and Bank of Guyana.

Gains and losses arising from the translation of foreign currencies are included in the statement of comprehensive income for the year.

(e) Pension and gratuities

The Post Office does not participate in a formal pension plan. Persons employed by the Post Office Department, Ministry of Communications at December 31, 1976 and whose service continued with the Corporation on its establishment on January 1, 1977 have their pensions and gratuities computed at the time of their retirement from the Post Office and pro-rated on the basis of service. Payment is made by the Ministry of Finance for the period prior to January 1, 1977 to time of retirement.

Pensions for staff employed after January 1, 1977 are calculated at the time of their retirement and payments made by the Post Office when due. Staff may decide to receive full gratuity upon retirement or three-quarters of the sum due in gratuity and the remainder as pension.

GUYANA POST OFFICE CORPORATION
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. Significant accounting policies, continued

(f) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and short term highly liquid investments that are both readily convertible into known amounts of cash and so near to maturity that they present insignificant risk of changes in value due to changing interest rates.

(g) Revenue recognition

Revenue from sales and services are recognised upon performance of services or delivery of products and customer acceptance. Interest income is recognised as it accrues.

(h) Provisions

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(i) Accounts receivables

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Corporation reviews the trade accounts receivable and determine the necessity and amount of an allowance for doubtful accounts as their best estimate of probable credit losses in existing accounts receivable. The Corporation does not have any off-balance sheet credit exposure related to its customers.

(j) Taxation

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

(i) Current Tax

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

(ii) Deferred Tax

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

GUYANA POST OFFICE CORPORATION
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. Significant accounting policies, continued

(k) Financial Instruments

Financial assets and financial liabilities are recognised on the Corporation's statement of financial position when the Corporation becomes a party to the contractual provisions of the instruments.

(i) Accounts Receivables

Accounts receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognised in statement of comprehensive income when there is objective evidence that the asset is impaired. The allowance recognised is based on management's evaluation of the collectability of the receivables.

(ii) Accounts Payables

Accounts payables is recognised at amortised cost.

(iii) Cash on hand and at bank

Cash is comprised of cash on hand and at bank.

3. Significant accounting estimates and judgements

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

(i) Impairment of assets

When there are indications that an asset may be impaired, the Corporation is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Corporation to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

(ii) Useful life of property and equipment

Property and equipment are amortised over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of depreciation recorded during the year and the carrying value of equipment.

Critical accounting judgements

In the preparation of these financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognised in the financial statements.

GUYANA POST OFFICE CORPORATION
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

3. Significant accounting estimates and judgements, continued

Critical accounting judgements, continued

(i) Income taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

GUYANA POST OFFICE CORPORATION
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
	G\$	G\$
5. Income		
Stamps foreign	3,586,125	5,073,987
Terminal dues	28,125,660	22,046,383
Foreign commission	7,031	-
Postages stamp sales	73,115,768	61,711,561
Bulk postage	348,387,212	404,897,987
Neo post stamp sales	-	651,039
Inland money order commission	149,370,473	149,508,224
Rental of boxes and bags	4,156,547	4,558,282
Agency fees	619,815,351	514,188,244
Handling charges	11,592,130	8,921,467
Storage fees	329,406	197,586
Rental of offices	85,378,319	81,638,415
Redirected fees	149,117	47,900
Swift shipping income	53,456,400	44,515,902
Commission on c-point sale	275,878	146,720
Receipts from electricity	193,271	224,864
Commemorative stamp sales	4,256,934	3,567,220
Call to office	794,950	814,900
Business priority mail	18,000	10,000
Commission on top-up sale	2,556,307	2,560,766
Revenue stamps commission	60,171,274	48,245,619
	<u>1,445,736,153</u>	<u>1,353,527,066</u>

GUYANA POST OFFICE CORPORATION
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
	G\$	G\$
6. Operating Expenses		
Rates and taxes - General	7,698,816	11,218,541
- Water	5,609,009	5,036,243
Repairs and Maintenance - Motor Vehicle	688,975	521,309
- Furniture and Office Equipment	2,640,210	2,165,674
- Safes	503,568	307,674
- Building compound	6,905,013	9,242,535
- Computers	103,273	16,000
- Generator	606,350	435,704
- Others	172,026	317,523
- Motor cycle	185,286	260,132
Motor Vehicle running expense	2,523,516	2,364,414
Swift shipping expense	36,200,854	31,283,152
Insurance	5,155,421	4,608,187
Rent	8,744,931	8,148,905
Telephone charges	7,168,816	8,151,935
Electricity charges	24,382,367	24,900,501
Internet services	9,261,399	9,417,808
Computer expenses	4,838,631	818,807
Conveyance of values	100,583,678	90,695,373
Generator running expense	91,683	922,670
	<u>224,063,822</u>	<u>210,833,087</u>

GUYANA POST OFFICE CORPORATION
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
	G\$	G\$
7. Employment costs		
Staff uniform	6,060,104	4,798,012
Salaries - Gross	567,064,567	544,417,726
Wages	15,240,924	14,184,295
Overtime	15,004,174	18,207,280
Bonus	-	12,600,000
Traveling and subsistence	8,639,458	6,167,361
Traveling allowance	12,891,091	11,805,096
Meal allowance	4,476,097	4,558,540
Telephone allowance	254,664	253,761
Station/Responsibility allowance	3,389,445	3,339,082
House allowance	3,855,000	3,662,400
Entertainment allowance	890,000	900,000
Staff welfare	6,197,716	5,111,956
Severance	257,712	402,381
Employers contribution nis	46,219,895	47,533,964
Vacation allowance	45,568,856	44,699,831
Acting allowance	8,976,809	10,502,740
Duty allowance	3,656,640	4,390,110
Risk Allowance	370,000	510,000
Employers contribution medical	3,389,396	3,903,405
Gratuity	8,331,590	8,453,870
	<u>760,734,138</u>	<u>750,401,810</u>

GUYANA POST OFFICE CORPORATION
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
	G\$	G\$
8. Conveyance of Mail		
Mail Conveyance Internal	19,039,145	16,769,384
Mail Conveyance External	16,427,999	16,430,566
	<u>35,467,144</u>	<u>33,199,950</u>
9. Administrative Expenses		
Stationery and office supplies	8,945,192	6,815,765
Purchase of stamps	2,036,888	601,168
Training and development	760,620	280,750
Pension	82,614,331	73,978,242
Contribution to UPU	15,368,672	12,399,407
Contribution to CPU	1,185,250	1,193,500
Bank charges	7,134,197	6,311,668
Philatelic services	-	318,005
Advertisement	3,091,973	1,949,332
Audit fees	3,200,000	3,621,403
Consultancy fees	145,000	1,155,400
Dues and subscription	1,019,785	200,002
Directors fees	-	72,000
Brokerage fees	472,910	398,782
Conference	-	471,264
Security expenses	50,325,196	53,061,893
Sanitation expenses	10,408,026	10,862,791
Customs expenses	457,578	727,700
Compensation	18,432	(2,673)
Miscellaneous expenses	1,854,731	1,779,891
License fees	767,926	680,562
Management meeting	75,689	83,446
Board meeting	-	167,685
Directors traveling	-	9,900
World post day	925,185	413,636
Materials and supplies	8,119,184	9,235,875
Agency fees	3,573,748	6,490,658
Miscellaneous Ice	160,785	166,735
Miscellaneous Project	130,000	175,050
Transportation expense	1,842,340	1,267,505
UPU others	95,800	262,939
Leases	-	300,000
Minor office equipment	785,022	1,514,130
	<u>205,514,460</u>	<u>196,964,411</u>

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	<u>2021</u>	<u>2020</u>
	G\$	G\$
10. Depreciation		
Building	8,610,251	8,805,592
Motor vehicle	6,502,804	508,469
Furniture and equipment	<u>7,922,652</u>	<u>8,278,055</u>
	<u>23,035,707</u>	<u>17,592,116</u>
11. Other Expense		
Contribution to community - Other	50,000	100,000
Contribution to community - Education	<u>-</u>	<u>45,517</u>
	<u>50,000</u>	<u>145,517</u>
12. Other Income		
Other Income	579,260	116,084
Interception fees	5,000	5,000
Income from investment	198,000	351,510
Stationery sales	158,478	136,125
Miscellaneous	3,710,178	3,223,331
Interest	105,756	292,785
Franking license fees	15,000	15,000
Penalty Charges	189,390	379,992
Donation received	<u>2,247,999</u>	<u>1,408,914</u>
	<u>7,209,061</u>	<u>5,928,741</u>

GUYANA POST OFFICE CORPORATION
NOTES ON FINANCIAL STATEMENTS
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13. Tangible fixed assets	Land and Buildings G\$	Furniture and Equipment G\$	Motor Vehicles G\$	Total G\$
Cost/Valuation				
January 1, 2020	264,552,936	147,378,239	68,104,771	480,035,946
Additions	4,898,777	4,724,029	24,485,806	34,108,612
Disposal December 31, 2020	-	-	-	-
December 31, 2020	<u>269,451,713</u>	<u>152,102,268</u>	<u>92,590,577</u>	<u>514,144,558</u>
January 1, 2021	269,451,713	152,102,268	92,590,577	514,144,558
Additions	31,105,671	7,694,672	-	38,800,343
Disposal December 31, 2021	-	-	-	-
December 31, 2021	<u>300,557,384</u>	<u>159,796,940</u>	<u>92,590,577</u>	<u>552,944,901</u>
Depreciation				
January 1, 2020	81,650,611	64,597,690	66,070,894	212,319,195
Charged for the year	8,805,592	8,278,055	508,469	17,592,116
Written back on disposal	-	-	-	-
December 31, 2020	<u>90,456,203</u>	<u>72,875,745</u>	<u>66,579,363</u>	<u>229,911,311</u>
January 1, 2021	90,456,203	72,875,745	66,579,363	229,911,311
Charged for the year	8,610,251	7,922,652	6,502,804	23,035,707
Written back on disposal	-	-	-	-
December 31, 2021	<u>99,066,454</u>	<u>80,798,397</u>	<u>73,082,167</u>	<u>252,947,018</u>
Net book values:				
December 31, 2020	<u>178,995,510</u>	<u>79,226,523</u>	<u>26,011,214</u>	<u>284,233,247</u>
December 31, 2021	<u>201,490,930</u>	<u>78,998,543</u>	<u>19,508,410</u>	<u>299,997,883</u>

- (i) The transfer documentation for Land and Building valuing G\$2,932,150 and taken over from the General Post Office Department of the Ministry of Works and Communication on January 1, 1977 has not been completed.
- (ii) Clause 9 (1) of the Post Office Order 109 of 1976 which was made under section 46 of the Public Corporation ACT Chapter 19:05, states: "The assets of the Postal Department (including rights and interests) are hereby transferred to and shall vest in the Post Office.
Thus the order provides for the vesting of the assets of the Post Office. GPOC is currently working with the relevant agencies to regularized ownership.
Nevertheless, management commenced the process of acquiring ownership of the lands we occupy; via by lease/title/transport some 12 years ago. GPOC has lease for Danielstown, Parika and Anna Regina. GPOC has permission to occupy Vreed-en Hoop. The conveyance is filed for Bourda Post Office and currently lease applications are in for Providence, East La Penitance, Buxton and Soesdyke Post Offices.

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FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
	G\$	G\$
14. Guyana Revenue Authority	<u>153,905,131</u>	<u>153,905,131</u>

The sum owed to the Guyana Post Office Corporation by the Guyana Revenue Authority for overpayment of Corporation taxes.

	<u>2021</u>	<u>2020</u>
	G\$	G\$
15. Inventories		
Stores - Office supplies	9,878,800	6,242,563
'- Stamps	72,634,008	72,634,008
Digicel sim cards	287,001	-
SSO Stocks	(304,978)	(304,978)
Geopark cards	2,961,500	2,961,500
GT&T phone cards	(89,441)	(281,880)
Guyana Lottery Company - Scratch	3,328,008	3,328,008
Digicel cards	(379,940)	(327,475)
GT&T c-point	(716,813)	(113,663)
Digicel top-up	<u>4,257,410</u>	<u>3,539,658</u>
	<u>91,855,555</u>	<u>87,677,741</u>

16. Amount owing by Agencies		
Balance	<u>199,803,646</u>	<u>83,409,648</u>

This represents payments and sales made on behalf of various agencies.

17. Amount owing to Agencies	<u>2021</u>	<u>2020</u>
	G\$	G\$
Balance	<u>1,736,531,395</u>	<u>872,408,242</u>

This represents money received from Agencies net of payments.

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	<u>2021</u> G\$	<u>2020</u> G\$
18(a) Cash		
Head office	866,277,211	166,981,904
District offices	100,948,407	137,547,767
Petty cash imprest	45,500	34,500
	<u>967,271,118</u>	<u>304,564,171</u>

These amount represents cash in hand at head office and district offices.

18(b) Cash in transit		
Remittance from head office	719,524,483	578,008,983
Remittance to chief office	(34,275,899)	(15,024,121)
Remittance to head office	(83,431,611)	(53,154,495)
Remittance from chief office	(52,179,000)	(25,273,000)
	<u>549,637,973</u>	<u>484,557,367</u>

These amount represents cash sent from offices that will be acknowledge in the next year.

	<u>2021</u> G\$	<u>2020</u> G\$
18(c) Bank		
Commercial banks	608,817,434	509,570,736
Central bank	152,560,050	79,494,938
Trust	4,727,653	4,675,256
	<u>766,105,137</u>	<u>593,740,930</u>

These amounts represnts deposits held at various financial institutions.

GUYANA POST OFFICE CORPORATION
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FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u> G\$	<u>2020</u> G\$
19. Receivables		
Trade receivables	683,145,626	661,999,335
Prepayments and others	<u>91,510,151</u>	<u>91,332,661</u>
	774,655,777	753,331,996
Provision for doubtful debts	<u>(2,058,388)</u>	<u>(2,058,388)</u>
	<u><u>772,597,389</u></u>	<u><u>751,273,608</u></u>

20. Government of Guyana

Contribution	<u><u>9,311,355</u></u>	<u><u>9,311,355</u></u>
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According to Section 9.2 of the Public Corporation (Post Office) Order 1976, the Post Office shall issue to the Guyana State Corporation (which is now defunct) debentures or debenture stock of such nominal values and bearing such interest rates and repayment dates as may be agreed upon between the Minister responsible for Finance and the Post Office for assets vested in the Post Office. The debentures have not been issued and repayment terms and interest rates have not yet been agreed.

	<u>2021</u> G\$	<u>2020</u> G\$
21. Payables		
Trade payables	130,889,807	129,048,352
Accruals and others	<u>86,461,816</u>	<u>98,645,989</u>
	<u><u>217,351,623</u></u>	<u><u>227,694,341</u></u>

GUYANA POST OFFICE CORPORATION
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	<u>2021</u> G\$	<u>2020</u> G\$
23 (i) Reconciliation of tax expense and accounting profit		
Accounting profit	<u>204,031,554</u>	<u>173,594,584</u>
Corporation tax at 25%	51,007,889	43,398,646
Add:		
Tax effect of expenses not deductible in determining taxable profit		
Withholding tax	12,097	29,195
Depreciation for accounting purposes	<u>5,758,927</u>	<u>4,398,029</u>
	56,778,913	47,825,870
Deduct:		
Tax effect of depreciation for tax purposes	4,925,348	5,261,887
Tax exempt income	60,486	145,976
Set off	(25,896,540)	(21,209,004)
Corporation tax charge	<u>25,896,540</u>	<u>21,209,004</u>
Prior year tax	65,626,645	47,341,697
(i) Tax payable	<u>91,523,185</u>	<u>68,550,701</u>
(ii) Long-term liabilities		
Unreconciled differences	<u>2,102,003,077</u>	<u>2,102,003,077</u>

Unreconciled differences represents historical balances coming forward which no supporting documents are available to justify and reconcile same.

GUYANA POST OFFICE CORPORATION
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23. FAIR VALUE ESTIMATION

The following table details the carrying costs of assets and liabilities and their fair values stated for disclosure purposes.

		2021			2020	
	IFRS 13 LEVEL	Carrying amount G\$	Fair value G\$	IFRS 13 LEVEL	Carrying amount G\$	Fair value G\$
Assets						
Property, plant and equipment	2	299,997,882	299,997,882	2	277,394,452	277,394,452
Taxes Recoverable	2	153,905,131	153,905,131	2	153,905,131	153,905,131
Amount owed by Agencies	2	199,803,646	199,803,646	2	83,409,648	83,409,648
Receivables	2	773,835,230	773,835,230	2	751,273,608	751,273,608
Cash	1	967,271,118	967,271,118	1	304,564,171	304,564,171
Cash in transit	1	549,637,973	549,637,973	1	484,557,367	484,557,367
Bank	1	766,105,137	766,105,137	1	593,740,930	593,740,930
		<u>3,710,556,117</u>	<u>3,710,556,117</u>		<u>2,648,845,307</u>	<u>2,648,845,307</u>
Financial liabilities						
Amount owing to Agencies	2	1,736,531,395	1,736,531,395	2	872,408,242	872,408,242
Payables	2	217,351,623	217,351,623	2	227,694,341	227,694,341
Taxes payable	2	<u>91,677,915</u>	<u>91,677,915</u>	2	<u>65,791,491</u>	<u>65,791,491</u>
		<u>2,045,560,933</u>	<u>2,045,560,933</u>		<u>1,165,894,074</u>	<u>1,165,894,074</u>

Valuation techniques and assumptions applied for the purposes of measuring fair value.

(i) The fair values of financial assets and financial liabilities were determined as follows:

- (a) Trade and other receivables are net of provisions for impairment. The fair value of trade and other receivables is based on expected realisation of outstanding balances taking into account the Corporation's history with respect to delinquencies.
- (b) Financial instruments where the carrying amounts are equal to fair value:- Due to their short-term maturity, the carrying value of certain financial instruments approximates their fair values. These include cash on hand and at bank, trade and other receivables and tax liability/recoverable and receivables and payables.

(ii) Tangible fixed assets are stated net of accumulated depreciation and subsequent impairment losses.

Tangible fixed assets and financial liabilities were determined as follows:

- (a) Fair value for assets and liabilities were obtained using level 2 fair value measurements.
 - Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities.
 - Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

GUYANA POST OFFICE CORPORATION
NOTES ON FINANCIAL STATEMENTS
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24. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Corporation's management monitors and manages the financial risk relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (interest rate risk, currency risk and price risk), liquidity risk, capital risk and credit risk.

The Corporation seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies on interest rate risk, foreign exchange risk, capital risk, liquidity risk and credit risk which are approved by the Board of Directors.

Management reports monthly to the Board of Directors on matters relating to risk and management of risk.

(a) Market risk

(i) Interest sensitivity analysis

A sensitivity analysis has determined that there is no material exposure to interest rate fluctuation at the end of the reporting period.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

This impacts directly on the Corporation's cash flow.

	Average	Maturity		
	Interest rate	2021		
	Within 1 year G\$	2 - 5 years G\$	Non-interest bearing G\$	Total G\$
Assets				
Taxes recoverable	-	-	153,905,131	153,905,131
Cash on hand	-	-	967,271,118	967,271,118
Cash in transit	-	-	549,637,973	549,637,973
Cash at bank	766,105,137	-	-	766,105,137
Receivables	-	-	773,835,230	773,835,230
Amount owing by Agencies	-	-	199,803,646	199,803,646
	766,105,137	-	2,644,453,098	3,410,558,235
Liabilities				
Payables	-	-	217,351,623	217,351,623
Taxes payable	-	-	91,677,915	91,677,915
Amount owed to Agencies	-	-	1,736,531,395	1,736,531,395
Long-Term Liabilities	-	-	2,102,003,077	2,102,003,077
	-	-	4,147,564,010	4,147,564,010
Interest sensitivity gap	766,105,137	-		

	Average	Maturity		
	Interest rate	2020		
	Within 1 year G\$	2 - 5 years G\$	Non-interest bearing G\$	Total G\$
Assets				
Taxes recoverable	-	-	153,905,131	153,905,131
Cash on hand	-	-	304,564,171	304,564,171
Cash in transit	-	-	484,557,367	484,557,367
Cash at bank	593,740,930	-	-	593,740,930
Receivables	-	-	751,273,608	751,273,608
Amount owing by Agencies	-	-	83,409,648	83,409,648
	593,740,930	-	1,777,709,925	2,371,450,855
Liabilities				
Payables	-	-	227,694,341	227,694,341
Taxes payable	-	-	65,791,491	65,791,491
Amount owed to Agencies	-	-	872,408,242	872,408,242
Long-Term Liabilities	-	-	2,102,003,077	2,102,003,077
	-	-	3,267,897,151	3,267,897,151
Interest sensitivity gap	593,740,930	-		

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24. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (Cont'd)

(ii) Currency risk

The Corporation's exposure to the effects of fluctuations in foreign currency exchange rates arise mainly from foreign receivables and payables. The currency where the Corporation is mainly exposed to is United States Dollars.

The aggregate amounts of assets and liabilities denominated in currencies other than Guyana dollars are as shown:

	<u>G\$</u>
31 December 2021	
Assets	<u>7,361,353</u>
Liabilities	<u>-</u>
31 December 2020	
Assets	<u>2,094,810</u>
Liabilities	<u>-</u>

Foreign currency sensitivity analysis

The following table details the company's sensitivity to a 2.5% increase and decrease in the Guyana dollar (GYD) against the United States dollar (US\$).

The sensitivity analysis includes only outstanding foreign denominated monetary items and adjusts their translation at the period end for a 2.5% change in foreign currency rates. A negative number indicates an increase in loss where the US\$ strengthens 2.5% against the GYS. For a 2.5% weakening of the US\$ against G\$ there would be an equal and opposite impact on the profit, and the balances below would be positive.

	2021 G\$	2020 G\$
Profit/(loss)	<u>184,034</u>	<u>52,370</u>

(iii) Price risk

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

The Corporation is not significantly exposed to price risks.

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24. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Liquidity

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

The following table shows the distribution of assets and liabilities by maturity:

As at December 31, 2021	Maturity				
	Within 1 year				Total
	On Demand G\$	Due in 3 mths G\$	Due 3-12 mths G\$	2-5 years G\$	
<u>Assets</u>					
Taxes recoverable	153,905,131	-	-	-	153,905,131
Cash on hand	967,271,118	-	-	-	967,271,118
Cash in transit	549,637,973	-	-	-	549,637,973
Cash at bank	766,105,137	-	-	-	766,105,137
Receivables	773,835,230	-	-	-	773,835,230
Amount owing by Agencies	199,803,646	-	-	-	199,803,646
	<u>3,410,558,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,410,558,235</u>
<u>Liabilities</u>					
Payables	217,351,623	-	-	-	217,351,623
Taxes payable	91,677,915	-	-	-	91,677,915
Amount owed to Agencies	1,736,531,395	-	-	-	1,736,531,395
	<u>2,045,560,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,045,560,933</u>
Net assets/(liabilities)	<u>1,364,997,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,364,997,302</u>
As at December 31, 2020	Maturity				
	Within 1 year				Total
	On Demand G\$	Due in 3 mths G\$	Due 3-12 mths G\$	2-5 years G\$	
<u>Assets</u>					
Taxes recoverable	153,905,131	-	-	-	153,905,131
Cash on hand	304,564,171	-	-	-	304,564,171
Cash in transit	484,557,367	-	-	-	484,557,367
Cash at bank	593,740,930	-	-	-	593,740,930
Receivables	751,273,608	-	-	-	751,273,608
Amount owing by Agencies	83,409,648	-	-	-	83,409,648
	<u>2,371,450,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,371,450,855</u>
<u>Liabilities</u>					
Payables	227,694,341	-	-	-	227,694,341
Taxes payable	65,791,491	-	-	-	65,791,491
Amount owed to Agencies	872,408,242	-	-	-	872,408,242
	<u>1,165,894,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,165,894,074</u>
Net assets/(liabilities)	<u>1,205,556,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,205,556,781</u>

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24. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit Risk

This is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation's maximum potential exposure is G\$678,611,161 (2020 - G\$662,793,381) as represented by account receivables. The Corporation has no collateral held as security in respect to its financial assets.

The credit risk on bank balances is limited because the counterparties are financial institutions with no known liquidity problems.

	<u>2021</u>	<u>2020</u>
	G\$	G\$
Aging of accounts receivables		
0 to 30 days past due	65,938,404	75,027,144
30 days to 1 year past due	72,913,028	63,975,801
Over 1 year past due	<u>539,759,729</u>	<u>523,790,436</u>
Total	<u>678,611,161</u>	<u>662,793,381</u>

(d) Capital Risk Management

The Corporation's objective when managing its capital are to safeguard its ability to continue as a going concern in order to provide returns for the shareholders and benefits for the other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.