

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

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

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

AUDITED FINANCIAL STATEMENTS OF THE  
GUYANA POST OFFICE CORPORATION  
FOR THE YEAR ENDED 31 DECEMBER 2022

TABLE OF CONTENTS

	PAGE
Transmittal Letter	i
Auditor's Opinion on the Financial Statements	ii-iv
Audited Financial Statements	1 -24



## 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>

203/PC:53/2/2024

16 July 2024

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 2022

Please find attached ten copies of the audited financial statements of the Guyana Post Office Corporation for the year ended 31 December 2022, 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,





## *Audit Office of Guyana*

*P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana*

*Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>*

AG: 95/2024

4 July 2024

REPORT OF THE AUDITOR GENERAL  
TO THE MEMBERS OF THE BOARD OF DIRECTORS  
OF THE GUYANA POST OFFICE CORPORATION  
ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

### *Disclaimer of Opinion*

I have audited the accompanying financial statements of Guyana Post Office Corporation which comprise the statement of financial position as at 31 December 2022, the statement comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 1 to 23.

I do not express an opinion on the accompanying financial statements of the 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 Equipment

The title deeds for properties with net book values totaling \$242,073,034 were not available and a list of office furniture and equipment and motor vehicles with net book values of \$83,488,063 and \$14,465,182 respectively were not available for audit verification. I am therefore uncertain of the ownership, existence and valuation of property and equipment stated as \$340,026,279 in the financial statements.

#### Amounts owed by Agencies

I was unable to ascertain the accuracy of amounts owing by Agencies amounting to \$14,361,719 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 \$93,272,011 as at 31 December 2022. 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 owing to Agencies

The Corporation had \$613,771,509 owing to Agencies. I was unable to verify the accuracy of the amount of \$68,414,094 since no schedules or independent confirmations were not submitted to verify amounts owing to Agencies. 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 previous years prior to 2003 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 \$187,011,856 is an amount of \$22,330,510 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 or maintained booklets. 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 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 (IFRS), 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.

*Report on Other Legal and Regulatory Framework*

Section 64 of the Public Corporation Act Cap 19:05 stipulates:

(1) A Corporation shall not later than six months after the expiry of each calendar year, submit to the Minister a report containing:

(a) an account of its functioning, throughout the preceding calendar year in such detail as the concerned Minister may direct;

(b) a statement of the Corporation audited in accordance with Section 48

This requirement was not fulfilled during the year.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

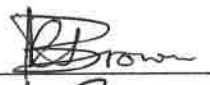
GUYANA POST OFFICE CORPORATION  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2022

<u>ASSETS</u>	<u>Notes</u>	<u>2022</u> G\$	<u>2021</u> G\$
<b>Non Current Assets</b>			
Tangible Fixed Assets	13	340,026,279	299,997,882
<b>Total Non Current Assets</b>		340,026,279	299,997,882
<b>Current Assets</b>			
Guyana Revenue Authority	14	153,905,131	153,905,131
Inventories	15	93,272,011	91,855,555
Amount owed by Agencies	16	31,062,306	199,803,646
Receivables	19	812,264,242	772,597,389
Cash	18(a)	157,259,114	967,271,118
Cash in Transit	18(b)	556,878,754	549,637,973
Bank	18(c)	529,650,638	766,105,137
<b>Total Current Assets</b>		2,334,292,196	3,501,175,949
<b>TOTAL ASSETS</b>		<u>2,674,318,475</u>	<u>3,801,173,831</u>
 <u><b>EQUITY AND LIABILITIES</b></u>			
<b>Capital and Reserve</b>			
Government of Guyana Contribution	20	9,311,355	9,311,355
Accumulated Deficit		(330,503,243)	(355,546,804)
<b>Total Capital and Reserve</b>		(321,191,888)	(346,235,449)
<b>Current Liabilities</b>			
Amount owing to Agencies	17	613,771,509	1,736,531,395
Payables	21	187,011,856	217,351,623
Taxes Payable	22(i)	95,489,726	91,523,185
<b>Total Current Liabilities</b>		896,273,091	2,045,406,203
<b>Long-Term Liabilities</b>	22(ii)	2,099,237,272	2,102,003,077
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,674,318,475</u>	<u>3,801,173,831</u>

*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 14/6/2024

Permanent Secretary - Office of the Prime Minister



Date 20/06/24

GUYANA POST OFFICE CORPORATION  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Notes</u>	<u>2022</u> G\$	<u>2021</u> G\$
Income	5	1,401,873,986	1,445,736,153
Operating Expenses	6	<u>283,755,268</u>	<u>224,063,822</u>
<b>Profit from Operations</b>		1,118,118,718	1,221,672,331
Employment costs	7	821,517,243	760,734,138
Conveyance of mail	8	36,316,908	35,467,144
Administrative Expenses	9	220,130,235	205,514,460
Depreciation	10	22,465,833	23,035,707
Withholding tax		38,240	48,389
Other Expense	11	<u>624,331</u>	<u>50,000</u>
<b>Total Expenditure for the year</b>		<u>1,101,092,790</u>	<u>1,024,849,838</u>
<b>Net Profit from operations</b>		17,025,928	196,822,493
Other Income	12	<u>11,984,173</u>	<u>7,209,061</u>
<b>Profit before taxation</b>		29,010,101	204,031,554
Corpration tax	23	<u>3,966,541</u>	<u>25,896,540</u>
<b>Profit for the year</b>		<u><u>25,043,560</u></u>	<u><u>178,135,014</u></u>



GUYANA POST OFFICE CORPORATION  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Government of Guyana Contribution G\$	Accumulated Surplus/(Deficit) G\$	Total G\$
Balance - January 1, 2021	9,311,355	(533,681,818)	(524,370,463)
Net comprehensive Profit for the year	-	178,135,014	178,135,014
Balance - December 31, 2021	<u>9,311,355</u>	<u>(355,546,804)</u>	<u>(346,235,449)</u>
Balance - January 1, 2022	9,311,355	(355,546,804)	(346,235,449)
Net comprehensive Profit for the year	-	25,043,560	25,043,560
Balance - December 31, 2022	<u>9,311,355</u>	<u>(330,503,244)</u>	<u>(321,191,889)</u>

GUYANA POST OFFICE CORPORATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
	G\$	G\$
<b>Cash flow from operating activities</b>		
Net comprehensive Profit/(Loss) before taxation	29,010,101	204,031,554
<b>Adjustment for:</b>		
Depreciation	22,465,833	23,035,707
Gain on disposal	<u>(67,729)</u>	<u>-</u>
	22,398,104	23,035,707
<b>Operating Profit/(loss) before working capital changes</b>	51,408,205	227,067,261
(Increase)/Decrease in Inventories	(1,416,456)	(4,177,814)
Decrease in amounts owing by Agencies	168,741,340	(116,393,998)
(Increase) in Receivables and Prepayments	(39,666,853)	(21,323,781)
Increase/(Decrease) in amounts owing to Agencies	(1,122,759,886)	864,123,153
Increase/(Decrease) in Payables and Accruals	(30,339,767)	(10,342,718)
(Decrease) in Long-Term Liabilities	<u>(2,765,805)</u>	<u>-</u>
	<u>(1,028,207,427)</u>	<u>711,884,842</u>
<b>Cash generated/(used) from operations</b>	(976,799,222)	938,952,103
<b>Taxation</b>		
Taxes paid	<u>-</u>	<u>-</u>
Net cash provided by/(used in) operating activities	(976,799,222)	938,952,103
<b>Cash flow from investing activity</b>		
Disposal of fixed assets	280,000	-
Purchase of tangible fixed assets	<u>(62,706,500)</u>	<u>(38,800,343)</u>
Net cash used in investing activities	(62,426,500)	(38,800,343)
<b>Net decrease in cash and cash equivalents</b>	(1,039,225,722)	900,151,760
Cash and cash equivalents - January 1	<u>2,283,014,228</u>	<u>1,382,862,468</u>
Cash and cash equivalents - December 31	<u>1,243,788,506</u>	<u>2,283,014,228</u>
<b>Analysis of cash and cash equivalents - December 31</b>		
Cash in hand	157,259,114	967,271,118
Cash in transit	556,878,754	549,637,973
Cash at bank	<u>529,650,638</u>	<u>766,105,137</u>
	<u>1,243,788,506</u>	<u>2,283,014,228</u>

GUYANA POST OFFICE CORPORATION  
NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**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, 2023, 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, 2022

**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, 2022

**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, 2022

**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.

GUYANA POST OFFICE CORPORATION  
NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**4. Significant accounting judgements**

**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.

**(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, 2022

	<u>2022</u>	<u>2021</u>
5. Income	G\$	G\$
Stamps foreign	3,800,750	3,586,125
Terminal dues	7,011,653	28,125,660
Foreign commission	3,884	7,031
Postages stamp sales	60,309,971	73,115,768
Bulk postage	329,023,117	348,387,212
Neo post stamp sales	50,212	-
Inland money order commission	161,123,779	149,370,473
Rental of boxes and bags	5,073,991	4,156,547
Agency fees	615,905,896	619,815,351
Handling charges	8,362,187	11,592,130
Storage fees	232,096	329,406
Rental of offices	83,452,998	85,378,319
Redirected fees	99,080	149,117
Swift shipping income	66,213,622	53,456,400
Commission on telephone card sale	4,700	-
Commission on c-point sale	140,370	275,878
Receipts from electricity	213,012	193,271
Commemorative stamp sales	3,927,218	4,256,934
Call to office	806,000	794,950
Business priority mail	34,000	18,000
Commission on top-up sale	2,909,128	2,556,307
Revenue stamps commission	53,176,322	60,171,274
	<u>1,401,873,986</u>	<u>1,445,736,153</u>



GUYANA POST OFFICE CORPORATION  
NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
6. Operating Expenses	G\$	G\$
Rates and taxes - General	20,437,569	7,698,816
- Water	5,336,693	5,609,009
Repairs and Maintenance - Motor Vehicle	556,489	688,975
- Furniture and Office Equipment	3,876,036	2,640,210
- Safes	1,016,488	503,568
- Building compound	25,304,131	6,905,013
- Computers	62,160	103,273
- Generator	358,644	606,350
- Others	1,098,463	172,026
- Motor cycle	192,131	185,286
Motor Vehicle running expense	2,803,165	2,523,516
Swift shipping expense	48,519,571	36,200,854
Insurance	4,959,814	5,155,421
Rent	8,500,527	8,744,931
Telephone charges	7,958,314	7,168,816
Electricity charges	26,152,502	24,382,367
Internet services	8,635,305	9,261,399
Computer expenses	4,831,151	4,838,631
Conveyance of values	112,971,790	100,583,678
Generator running expense	184,325	91,683
	<u>283,755,268</u>	<u>224,063,822</u>

GUYANA POST OFFICE CORPORATION  
 NOTES ON FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
7. Employment costs	G\$	G\$
Staff uniform	5,685,306	6,060,104
Salaries - Gross	615,034,930	567,064,567
Wages	785,331	15,240,924
Overtime	12,369,331	15,004,174
Traveling and subsistence	7,171,976	8,639,458
Traveling allowance	13,677,619	12,891,091
Meal allowance	5,514,100	4,476,097
Telephone allowance	220,569	254,664
Station/Responsibility allowance	3,494,853	3,389,445
House allowance	3,756,127	3,855,000
Entertainment allowance	883,956	890,000
Staff welfare	5,222,816	6,197,716
Severance	-	257,712
Employers contribution nis	48,420,659	46,219,895
Vacation allowance	47,381,523	45,568,856
Acting allowance	10,156,069	8,976,809
Duty allowance	6,644,160	3,656,640
Risk Allowance	300,000	370,000
Employers contribution medical	2,660,076	3,389,396
Gratuity	32,137,842	8,331,590
	<u>821,517,243</u>	<u>760,734,138</u>

GUYANA POST OFFICE CORPORATION  
NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
	G\$	G\$
8. Conveyance of Mail		
Mail Conveyance Internal	21,359,744	19,039,145
Mail Conveyance External	14,957,164	16,427,999
	<u>36,316,908</u>	<u>35,467,144</u>
9. Administrative Expenses		
Stationery and office supplies	7,800,191	8,945,192
Purchase of stamps	56,176	2,036,888
Training and development	841,764	760,620
Pension	104,803,854	82,614,331
Contribution to UPU	14,777,540	15,368,672
Contribution to CPU	1,185,250	1,185,250
Bank charges	5,559,039	7,134,197
Philatetic services	174,561	-
Advertisement	1,959,560	3,091,973
Audit fees	2,710,783	3,200,000
Consultancy fees	1,063,000	145,000
Dues and subscription	652,676	1,019,785
Brokerage fees	91,000	472,910
Conference	228,706	-
Security expenses	48,393,810	50,325,196
Sanitation expenses	12,384,642	10,408,026
Customs expenses	217,550	457,578
Compensation	22,836	18,432
Miscellaneous expenses	2,181,099	1,854,731
License fees	271,500	767,926
Management meeting	366,392	75,689
World post day	1,080,780	925,185
Materials and supplies	5,815,166	8,119,184
Agency fees	3,670,064	3,573,748
Miscellaneous Ice	123,150	160,785
Miscellaneous Project	110,125	130,000
Transportation expense	2,458,484	1,842,340
UPU others	-	95,800
Minor office equipment	1,130,537	785,022
	<u>220,130,235</u>	<u>205,514,460</u>

GUYANA POST OFFICE CORPORATION  
 NOTES ON FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
	G\$	G\$
10. Depreciation		
Building	9,735,022	8,610,251
Motor vehicle	4,830,957	6,502,804
Furniture and equipment	7,899,854	7,922,652
	<u>22,465,833</u>	<u>23,035,707</u>
11. Other Expense		
Contribution to community - Other	172,520	50,000
Contribution to community - Education	89,261	-
Bad debts	362,550	-
	<u>624,331</u>	<u>50,000</u>
12. Other Income		
Other Income	21,910	579,260
Interception fees	13,500	5,000
Gain on exchange	80,421	-
Income from investment	199,197	198,000
Stationery sales	159,514	158,478
Miscellaneous	4,218,486	3,710,178
Interest	82,633	105,756
Franking license fees	165,000	15,000
Penalty Charges	137,250	189,390
Disposal of asset	67,729	-
Donation received	6,838,533	2,247,999
	<u>11,984,173</u>	<u>7,209,061</u>

GUYANA POST OFFICE CORPORATION  
NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

13. Tangible fixed assets	Land and Buildings G\$	Furniture and Equipment G\$	Motor Vehicles G\$	Total G\$
Cost/Valuation				
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>
January 1, 2022	300,557,384	159,796,940	92,590,577	552,944,901
Additions	50,317,126	12,389,374	-	62,706,500
Disposal December 31, 2022	-	-	(2,950,000)	(2,950,000)
December 31, 2022	<u>350,874,510</u>	<u>172,186,314</u>	<u>89,640,577</u>	<u>612,701,401</u>
Depreciation				
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>
January 1, 2022	99,066,454	80,798,397	73,082,167	252,947,018
Charged for the year	9,735,022	7,899,854	4,830,957	22,465,833
Written back on disposal	-	-	(2,737,729)	(2,737,729)
December 31, 2022	<u>108,801,476</u>	<u>88,698,251</u>	<u>75,175,395</u>	<u>272,675,122</u>
Net book values:				
December 31, 2021	<u>201,490,930</u>	<u>78,998,543</u>	<u>19,508,410</u>	<u>299,997,883</u>
December 31, 2022	<u>242,073,034</u>	<u>83,488,063</u>	<u>14,465,182</u>	<u>340,026,279</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.

GUYANA POST OFFICE CORPORATION  
 NOTES ON FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

		<u>2022</u>	<u>2021</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>2022</u>	<u>2021</u>
		G\$	G\$
15.	Inventories		
	Stores - Office supplies	13,053,430	9,878,800
	'- Stamps	72,635,837	72,634,008
	Digicel sim cards	399,001	287,001
	SSO Stocks	(1,219,766)	(304,978)
	Geopark cards	2,961,500	2,961,500
	GT&T phone cards	(709,973)	(89,441)
	Guyana Lottery Company - Scratch	2,076,200	3,328,008
	Digicel cards	(264,355)	(379,940)
	GT&T c-point	(1,031,483)	(716,813)
	Digicel top-up	5,371,620	4,257,410
		<u>93,272,011</u>	<u>91,855,555</u>

16.	Amount owing by Agencies		
	Balance	<u>31,062,306</u>	<u>199,803,646</u>

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

		<u>2022</u>	<u>2021</u>
		G\$	G\$
17.	Amount owing to Agencies		
	Balance	<u>613,771,509</u>	<u>1,736,531,395</u>

This represents money received from Agencies net of payments.

GUYANA POST OFFICE CORPORATION  
 NOTES ON FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
	G\$	G\$
18(a) Cash		
Head office	16,951,430	866,277,211
District offices	140,288,684	100,948,407
Petty cash imprest	19,000	45,500
	157,259,114	967,271,118

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

18(b) Cash in transit		
Remittance from head office	500,425,319	719,524,483
Remittance to chief office	-	(34,275,899)
Remittance to head office	56,453,435	(83,431,611)
Remittance from chief office	-	(52,179,000)
	556,878,754	549,637,973

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

	<u>2022</u>	<u>2021</u>
	G\$	G\$
18(c) Bank		
Commercial banks	325,996,078	608,817,434
Central bank	198,873,957	152,560,050
Trust	4,780,603	4,727,653
	529,650,638	766,105,137

These amounts represnts deposits held at various financial institutions.

GUYANA POST OFFICE CORPORATION  
 NOTES ON FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
	G\$	G\$
19. Receivables		
Trade receivables	720,812,190	683,145,626
Prepayments and others	<u>93,510,440</u>	<u>91,510,151</u>
	814,322,630	774,655,777
Provision for doubtful debts	<u>(2,058,388)</u>	<u>(2,058,388)</u>
	<u><u>812,264,242</u></u>	<u><u>772,597,389</u></u>
20. Government of Guyana		
Contribution	<u><u>9,311,355</u></u>	<u><u>9,311,355</u></u>

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>2022</u>	<u>2021</u>
	G\$	G\$
21. Payables		
Trade payables	103,012,436	130,889,807
Accruals and others	<u>83,999,420</u>	<u>86,461,816</u>
	<u><u>187,011,856</u></u>	<u><u>217,351,623</u></u>



GUYANA POST OFFICE CORPORATION  
 NOTES ON FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u> G\$	<u>2021</u> G\$
22 (i) Reconciliation of tax expense and accounting profit		
Accounting profit	<u>29,010,101</u>	<u>204,031,554</u>
Corporation tax at 25%	7,252,525	51,007,889
Add:		
Tax effect of expenses not deductible in determining taxable profit		
Withholding tax	9,560	12,097
Depreciation for accounting purposes	<u>5,616,458</u>	<u>5,758,927</u>
	12,878,544	56,778,913
Deduct:		
Tax effect of depreciation for tax purposes	4,897,662	4,925,348
Tax exempt income	47,800	60,486
Set off	(3,966,541)	(25,896,540)
Corporation tax charge	<u>3,966,541</u>	<u>25,896,540</u>
Prior year tax	91,523,185	65,626,645
(i) Tax payable	<u>95,489,726</u>	<u>91,523,185</u>
(ii) Long-term liabilities		
Unreconciled differences	<u>2,099,237,272</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  
NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

23. FAIR VALUE ESTIMATION

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

	IFRS 13 LEVEL	2022		IFRS 13 LEVEL	2021	
		Carrying amount G\$	Fair value G\$		Carrying amount G\$	Fair value G\$
<b>Assets</b>						
Propert, plant and equipment	2	340,026,279	340,026,279	2	299,997,882	299,997,882
Taxes Recoverable	2	153,905,131	153,905,131	2	153,905,131	153,905,131
Amount owed by Agencies	2	31,062,306	31,062,306	2	199,803,646	199,803,646
Receivables	2	812,264,242	812,264,242	2	773,835,230	773,835,230
Cash	1	157,259,114	157,259,114	1	967,271,118	967,271,118
Cash in transit	1	556,878,754	556,878,754	1	549,637,973	549,637,973
Bank	1	529,650,638	529,650,638	1	766,105,137	766,105,137
		<u>2,581,046,464</u>	<u>2,581,046,464</u>		<u>3,710,556,117</u>	<u>3,710,556,117</u>
<b>Financial liabilities</b>						
Amount owing to Agencies	2	613,771,509	613,771,509	2	1,736,531,395	1,736,531,395
Payables	2	187,011,856	187,011,856	2	217,351,623	217,351,623
Taxes payable	2	95,489,726	95,489,726	2	91,677,915	91,677,915
		<u>896,273,091</u>	<u>896,273,091</u>		<u>2,045,560,933</u>	<u>2,045,560,933</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  
FOR THE YEAR ENDED DECEMBER 31, 2022

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 Interest rate	Maturity 2022			Total G\$
		Within 1 year G\$	2 - 5 years G\$	Non-interest bearing G\$	
<b>Assets</b>					
Taxes recoverable	-	-	153,905,131	-	153,905,131
Cash on hand	-	-	157,259,114	-	157,259,114
Cash in transit	-	-	556,878,754	-	556,878,754
Cash at bank	529,650,638	-	-	-	529,650,638
Receivables	-	-	812,264,242	-	812,264,242
Amount owing by Agencies	-	-	31,062,306	-	31,062,306
		529,650,638	-	1,711,369,547	2,241,020,185
<b>Liabilities</b>					
Payables	-	-	187,011,856	-	187,011,856
Taxes payable	-	-	95,489,726	-	95,489,726
Amount owed to Agencies	-	-	613,771,509	-	613,771,509
Long-Term Liabilities	-	-	2,099,237,272	-	2,099,237,272
		-	2,995,510,363	-	2,995,510,363
Interest sensitivity gap	529,650,638	-	-	-	-

	Average Interest rate	Maturity 2021			Total G\$
		Within 1 year G\$	2 - 5 years G\$	Non-interest bearing G\$	
<b>Assets</b>					
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
<b>Liabilities</b>					
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	-	-	-	-

GUYANA POST OFFICE CORPORATION  
 NOTES ON FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

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:

	G\$
31 December 2022	
Assets	12,668,951
Liabilities	-
31 December 2021	
Assets	7,361,353
Liabilities	-

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 GY\$. 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.

	2022 G\$	2021 G\$
Profit/(loss)	316,724	184,034

(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.

GUYANA POST OFFICE CORPORATION  
NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022	<b>Maturity</b>				Total G\$
	<u>Within 1 year</u>				
	On Demand G\$	Due in 3 mths G\$	Due 3-12 mths G\$	2-5 years G\$	
<b>Assets</b>					
Taxes recoverable	153,905,131	-	-	-	153,905,131
Cash on hand	157,259,114	-	-	-	157,259,114
Cash in transit	556,878,754	-	-	-	556,878,754
Cash at bank	529,650,638	-	-	-	529,650,638
Receivables	812,264,242	-	-	-	812,264,242
Amount owing by Agencies	31,062,306	-	-	-	31,062,306
	<u>2,241,020,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,241,020,185</u>
<b>Liabilities</b>					
Payables	187,011,856	-	-	-	187,011,856
Taxes payable	95,489,726	-	-	-	95,489,726
Amount owed to Agencies	613,771,509	-	-	-	613,771,509
	<u>896,273,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>896,273,091</u>
Net assets/(liabilities)	<u>1,344,747,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,344,747,094</u>
As at December 31, 2021	<b>Maturity</b>				Total G\$
	<u>Within 1 year</u>				
	On Demand G\$	Due in 3 mths G\$	Due 3-12 mths G\$	2-5 years G\$	
<b>Assets</b>					
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>
<b>Liabilities</b>					
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>

GUYANA POST OFFICE CORPORATION  
 NOTES ON FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

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\$720,812,189 (2021 - G\$678,611,161) 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>2022</u>	<u>2021</u>
	G\$	G\$
Aging of accounts receivables		
0 to 30 days past due	85,845,704	65,938,404
31 to 90 days past due	94,061,855	72,913,028
Over 90 days past due	<u>540,904,630</u>	<u>539,759,729</u>
<b>Total</b>	<u>720,812,189</u>	<u>678,611,161</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.