

**ANTIGUA PRINTING AND PUBLISHING LIMITED**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**

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**Chartered Accountants**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ANTIGUA  
PRINTING AND PUBLISHING LIMITED**

We have reviewed the Statement of Financial Position of Antigua Printing and Publishing Limited as at 30<sup>th</sup> June 2017 and the related Statements of Comprehensive Income and Changes in Shareholders Equity for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our review.

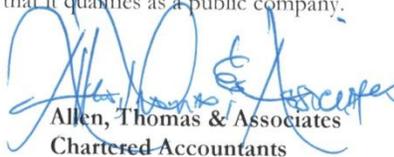
We conducted our review in accordance with International Standards of Review for Small and Medium Sized Entities. Those standards require that we plan and perform our review to obtain reasonable assurance that the financial statements are free of material misstatement. A review is less scope and the depth examination than an audit but includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. A review also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We did not perform an audit

In our opinion, the financial statements set out on pages 2 to 10 which are in agreement with the books of the Company are properly drawn up, so as to present fairly the state of affairs of the Antigua Printing and Publishing Limited at 30<sup>th</sup> June, 2017 and the results of its operations for the year then ended in accordance with companies law and International Financial Reporting Standards for SMEs.

**Emphasis of Matter** (Note 13)

The company's registration status has been unclear for several years as its structure and operation is substantially that of a private limited company, however, due to the number of registered shareholders the company registry has suggested that it qualifies as a public company.

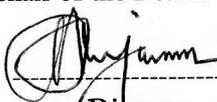
Antigua & Barbuda:  
16<sup>th</sup> November 2017

  
Allen, Thomas & Associates  
Chartered Accountants

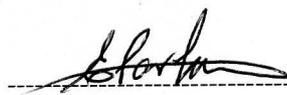
**ANTIGUA PRINTING AND PUBLISHING LIMITED****STATEMENT OF FINANCIAL POSITION****AT 30<sup>TH</sup> JUNE 2017****(Expressed in Eastern Caribbean Dollars)**

<b>Assets</b>	<b>Notes</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Current Assets</b>			
Cash at bank and on hand		392,421	206,655
Accounts Receivable and prepayments	4	483,219	544,784
Inventory and work-in-progress	5	540,665	476,845
		-----	-----
<b>Total Current Assets</b>		<b>1,416,305</b>	<b>1,228,284</b>
		-----	-----
<b>Non-Current Assets</b>			
Plant and Machinery	6	4,217,061	4,244,054
		-----	-----
<b>Total Assets</b>		<b>\$5,633,366</b>	<b>\$5,472,338</b>
		=====	=====
<b>Liabilities and Shareholders' Equity:</b>			
<b>Current Liabilities</b>			
Accounts Payable and accruals	7	465,884	481,812
Note payable		2,000	2,000
		-----	-----
<b>Total Current Liabilities</b>		<b>467,884</b>	<b>483,812</b>
		-----	-----
<b>Non-Current Liabilities</b>			
Shareholders Advance	8	824,359	823,325
Deferred Un-realized Income	9	386,824	386,824
		-----	-----
<b>Total Non-Current Liabilities</b>		<b>1,211,183</b>	<b>1,210,149</b>
		-----	-----
<b>Total Liabilities</b>		<b>1,679,067</b>	<b>1,693,961</b>
		-----	-----
<b>Shareholders' Equity:</b>			
Share Capital	10	190,000	190,000
Revaluation Reserve	11	3,761,113	3,761,113
Share Premium	12	100	100
Accumulated Deficit		3,086	(172,836)
		-----	-----
<b>Total Shareholders' Equity</b>		<b>3,954,299</b>	<b>3,778,377</b>
		-----	-----
<b>Total Liabilities and Shareholders' Equity:</b>		<b>\$5,633,366</b>	<b>\$5,472,338</b>
		=====	=====

Approved on behalf of the Board:



-----  
: Director



-----  
: Director

The notes on pages 6 to 14 form part of these financial statements.

**ANTIGUA PRINTING AND PUBLISHING LIMITED****STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**  
**(Expressed in Eastern Caribbean Dollars)**

	<u>2017</u>	<u>2016</u>
Sales	1,398,055	1,460,670
<b>Cost of Goods Manufactured and Sold</b> - (Schedule 1) Page 15	(811,883)	(960,995)
	-----	-----
<b>Gross Margin</b> - :40.98%: 2016: 34.21:%	586,172	499,675
Sundry Income	32,247	39,318
	-----	-----
<b>Income Before Indirect Expenses</b>	618,419	538,993
	-----	-----
<b>Indirect Expenses</b>		
Administrative (Schedule 2) Page 16	375,496	341,998
Interest and bank charges	4,891	5,349
	-----	-----
	380,387	347,347
	-----	-----
<b>Profit Before taxation</b>	238,032	191,646
Provision for Taxation	(62,110)	(47,912)
	-----	-----
<b>Total Comprehensive Income for the Year</b>	\$175,922	\$143,734
	=====	=====

**ANTIGUA PRINTING AND PUBLISHING LIMITED****STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**

(Expressed in Eastern Caribbean Dollars)

		Share Capital	Share Premium	Retained Earnings	Revaluation Reserve	Total
<b>Equity at – 30<sup>th</sup> June 2015</b>	(Page 2)	190,000	100	(316,570)	1,468,037	1,341,567
Comprehensive Income	(Page 3)	-	-	143,734	2,679,900	2,823,634
		-----	-----	-----	-----	-----
<b>Equity at – 30<sup>th</sup> June 2016</b>	(Page 2)	190,000	100	(172,836)	4,147,937	4,165,201
Comprehensive Income	(Page 3)	-		175,922	-	175,922
		-----	-----	-----	-----	-----
<b>Equity at – 30<sup>th</sup> June 2017</b>	(Page 2)	\$190,000	\$100	\$3,086	\$4,147,937	\$4,341,123
		=====	=====	=====	=====	=====

**ANTIGUA PRINTING AND PUBLISHING LIMITED****STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**

(Expressed in Eastern Caribbean Dollars)

	<u>2017</u>	<u>2016</u>
<b>Operating Activities</b>		
Net Comprehensive Income for the year	175,922	143,734
Add: Non cash item – Depreciation	54,463	49,098
	-----	-----
	230,385	192,832
(Increase)/Decrease in Inventory and work-in-progress	(63,820)	95,588
Increase/(Decrease) in Payables	(15,928)	31,004
(Increase)/Decrease in Receivables and Prepayments	61,565	(130,715)
	-----	-----
<b>Net Operating Activity</b>	(18,183)	(4,123)
	-----	-----
<b>Investing Activities</b>		
(Decrease) Purchase of Plant and Equipment	(27,470)	(2,885,155)
	-----	-----
	(27,470)	(2,885,155)
<b>Financing Activities</b>		
Increase/(Decrease) Due to Directors	1,034	56,419
Increase/(Decrease) Deferred Unrealized Income	-	386,824
Increase/(Decrease) Revaluation Reserve	-	2,293,076
	-----	-----
	(1,034)	2,736,319
	-----	-----
<b>Net Increase/(Decrease) in cash</b>	185,766	39,873
<b>Cash Balance - Beginning of year</b>	206,655	166,782
	-----	-----
<b>Cash Balance - End of year</b>	\$392,421	\$206,655
	=====	=====

**ANTIGUA PRINTING AND PUBLISHING LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017****(Expressed in Eastern Caribbean Dollars)****1. Incorporation and Principal Activities**

The company was incorporated under section 358 of the Companies 1948 of the laws of Antigua and Barbuda on 25<sup>th</sup> April 1970 and as amended by the companies Act 1995. It is primarily engaged in offset printing services, the design of stationery, manufacture, sale and distribution of printed products and materials.

**2. Basis of Preparation****a) Statement of Compliance**

The accounting policies primarily follow the guidelines of Antigua Printing and Publishing Limited Financial and Accounting Guidelines. Otherwise, the accounting policies conform to International Financial Reporting Standards (IFRS).

These financial statements were approved by the Board of Directors and or management on 16<sup>th</sup> November 2017.

**b) Basis of Measurement**

The financial statements are prepared under the historical cost convention.

**c) Functional and Presentation Currency**

These financial statements are prepared in Eastern Caribbean Dollars, which was the functional currency of the reporting entity for the financial year under review.

**d) Use of Estimates and Judgment**

The preparation of the financial statement in conformity with the International Financial Reporting Standards (IFRS) requires the Management to judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**3. Accounting Policies****a) Foreign Currency Translations**

Foreign currency transactions during the year have been converted at the exchange rates ruling at the date of these transactions. Foreign currency assets and liabilities at the year-end have been translated at the rates ruling at the Balance Sheet date.

**b) Inventories**

Inventories are stated at the lower of cost and the estimated net realizable value of separate items.

**c) Cash and cash equivalents**

For the purpose of the cash flow statements, cash and cash equivalents comprise cash on hand and deposits with banks of less than ninety days maturity and bank overdrafts. In the balance sheet, bank overdrafts, are included in current liabilities.

**ANTIGUA PRINTING AND PUBLISHING LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**

(Continued)

(Expressed in Eastern Caribbean Dollars)

**3. Accounting Policies - Continued**d) Plant and Equipment

Fixed Assets are stated at cost less accumulated depreciation. The costs of repairs and replacements of a routine nature are charged to operations, whilst expenditures improving or extending the useful lives of the assets that are capitalized. Depreciation is computed on the straight line basis at rates considered adequate to write off the cost of depreciable fixed assets, less salvage value, over their estimated useful lives. The annual rates are:

Building	2% per annum
Machinery and Equipment	7% per annum
Furniture & Fittings	5% per annum
Computer Hardware	33 <sup>1</sup> / <sub>3</sub> % per annum
Motor Vehicle	20% per annum
Container	20% per annum

e) Impairment

The carrying amount of the Company's assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement

f) Trade receivables

Trade receivables are carried at original invoice amount less provision made for the impairment of these receivables. Such provision for impairment of trade receivable is established if there is objective evidence that the company will not be able to collect all amounts due according to the original terms receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

g) Investmentsi) Investment Securities Held to Maturity

Investment securities with fixed maturity profiles where management has both the intent and the ability to hold to maturity are classified as held to maturity. Securities held to maturity are initially recognized at cost and are subsequently re-measured at amortized cost less provision for impairment losses. Interest income earned while holding securities is reported as interest income.

ii) Investment Securities Available for Sale

Investment securities intended to be held for an indefinite period of time, which may be sold in response to the needs for liquidity or changes in interest rates, exchange rates or equity prices are classified as available for sale. Available for sale financial assets are initially recognised at cost and are subsequently re-measured at fair value based on quoted bid prices.

**ANTIGUA PRINTING AND PUBLISHING LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**

(Continued)

(Expressed in Eastern Caribbean Dollars)

**3. Accounting Policies - Continued**iii) Un-quoted Investments

Unquoted equity instruments for which fair values cannot be reliably measured are recognised at cost less Impairment. When the securities are disposed of or impaired, the related accumulated fair value adjustments are included in the Income as gains or losses from investments.

h) Interest - Bearing Borrowing

Interest bearing borrowings are recognised initially at fair value less attributable transaction cost. Subsequent to initial recognition, interest bearing borrowing are stated at amortized cost with any difference between cost and redemption value being recognised in the statement of Comprehensive Income over the borrowings on an effective interest basis.

i) Interest Income

Interest Income is recognised on the accruals basis in the statement of Comprehensive Income, using the effective interest method.

i) Related Parties

A party is related to the Company, if:

Directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Company (this includes, parents, subsidiaries and fellow subsidiaries); has an interest in the Company that gives its significant influence over the company: or has joint control over the Company;

i) The party is an associate of the Company;

ii) The party is a joint venture in which the Company is a venture;

iii) The party is a member of the key management personnel of the Company or its parent

iv) The party is a close member of the family or any individual referred to in (i) or (iii)

v) The party is the entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

vi) The party is a post employment benefit plan for the benefit of employees of the Company or of any Company that is a related party of the Company.

**ANTIGUA PRINTING AND PUBLISHING LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**

(Continued)

(Expressed in Eastern Caribbean Dollars)

<b>4. Accounts Receivable and Prepayments</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Trade Receivables	639,702	640,932
Less: Provision for bad debts	(163,321)	(125,837)
	-----	-----
	476,381	515,095
Withholding Tax	4,571	4571
Staff Loan	2,267	84
Other Receivable	-	25,034
	-----	-----
<b>(Page 2)</b>	<b>\$483,219</b>	<b>\$544,784</b>
	=====	=====

<b>5. Inventory</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Paper	233,712	250,524
Less: Provision for obsolescence	(2,000)	(2,000)
	-----	-----
	231,712	248,524
Supplies	208,942	133,642
Spare Parts	88,366	71,094
Work-in-progress	11,645	23,585
	-----	-----
<b>(Page 2)</b>	<b>\$540,665</b>	<b>\$476,845</b>
	=====	=====

**ANTIGUA PRINTING AND PUBLISHING LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**

(Continued)

(Expressed in Eastern Caribbean Dollars)

**6. Plant and Machinery**

	Land	Building	Machinery Equip	Furniture Fittings	Computer	Motor Vehicle	Total
<b>Cost</b>							
Balance at beginning of year	3,049,200	1,093,600	1,785,896	139,477	7,805	29,818	6,105,796
Additions			16,957	6,978	3,535		27,470
<b>Balance at 30/06/2017</b>	3,049,200	1,093,600	1,802,853	146,455	11,340	29,818	6,133,266
<b>Accumulated Depreciation</b>							
Balance at beginning of year	-	286,687	1,428,655	136,859	3,577	5,964	1,861,742
Depreciation charge for year	-		44,845	1,042	2,612	5,964	54,463
<b>Balance at 30/06/2017</b>	-	286,687	1,473,500	137,901	6,189	11,928	1,916,205
<b>N.B.V. 30<sup>th</sup> June 2017</b>	\$3,049,200	\$806,913	\$329,353	\$8,554	\$5,151	\$17,890	\$4,217,061
<b>N.B.V. 30<sup>th</sup> June 2016</b>	\$3,049,200	\$806,913	\$357,241	\$2,618	\$4,228	\$23,854	\$4,244,054



**ANTIGUA PRINTING AND PUBLISHING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**  
**(Continued)**  
**(Expressed in Eastern Caribbean Dollars)**

<b>7. Accounts Payable and Accruals</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Trade Creditors	143,489	161,701
Consumption Tax	6,093	9,318
Social Security	2,792	2,946
Medical Benefits	2,090	2,062
Education Levy	983	721
Personal Income Tax Payable	490	209
Provision for Taxation	235,145	247,145
Dividend Payable	23,530	25,210
Other payable	32,500	32,500
Deposit	18,772	-
	-----	-----
<b>(Page 2)</b>	<b>\$465,884</b>	<b>\$481,812</b>
	=====	=====

<b>8. Shareholders' Advance</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Balance (Page 2)</b>	<b>\$824,359</b>	<b>\$823,325</b>
	=====	=====

This amount represents unpaid Directors fees, which has remained unpaid for several years given the company's cash flow over the years, The date of settlement has not yet been determined, but management does anticipate settlement with the next year.

<b>9. Deferred Unrealized Income</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Balance (Page 2)</b>	<b>\$386,824</b>	<b>\$386,824</b>
	=====	=====

This amount represents un-amortized Reserves, which relates to depreciable Plant, Property and equipment. The amount will be amortized annually over the remaining life of the related assets.

**ANTIGUA PRINTING AND PUBLISHING LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**

(Continued)

(Expressed in Eastern Caribbean Dollars)

<b>10. Share Capital</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Authorized		
1,900 shares of \$100 each	\$190,000	\$190,000
	=====	=====
Issued and fully paid		
1,900 shares of \$100 each	\$190,000	\$190,000
	=====	=====
 <b>11. Revaluation Reserve</b>	 <b><u>2017</u></b>	 <b><u>2016</u></b>
Revaluation brought forward 30 <sup>th</sup> June 2003 from 1977 - Land	341,599	341,599
Revaluation as at: 30 <sup>th</sup> June 2004 - Land	261,801	261,801
Revaluation as at: 31 <sup>st</sup> March 2004 - Building	864,637	864,637
	-----	-----
	1,468,037	1,468,037
Deferred Revaluation Surplus	(386,824)	(386,824)
Revaluation as at: 31 <sup>st</sup> March 2016 - Land	2,395,800	2,395,800
Revaluation as at: 31 <sup>st</sup> March 2016 - Building	284,100	284,100
	-----	-----
<b>(Page 2)</b>	<b>\$3,761,113</b>	<b>\$3,761,113</b>
	=====	=====

The increase in the revaluation reserve resulted from a valuation exercise carried out by Lewis Simon and Partners Consulting Engineers on 6<sup>st</sup> March 2016.

<b>12. Share Premium</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Balance (Page 2)</b>	<b>\$100</b>	<b>\$100</b>
	===	===

The share premium represents the difference between the par value of the shares and the amount paid by the shareholders for the shares.

<b>13. Capital Commitment &amp; Contingent Liabilities</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
None	\$-	\$-
	===	===

**a. Contingent Liability**

There is no pending or threatened litigation against Antigua Printing and Publishing Limited as at the financial year end.

**ANTIGUA PRINTING AND PUBLISHING LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017**

(Continued)

(Expressed in Eastern Caribbean Dollars)

<b>14. Related Parties</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Directors Fees	33,000	33,000
Directors Advance	824,359	823,325
	-----	-----
	\$857,359	\$856,325
	=====	=====

**15. Emphasis of Matter**

The company's registration status has been unclear for several years as its structure and operation is substantially that of a private limited company, however, due to the number of registered shareholders the company registry has suggested that it qualifies as a public company. Management has disputed that the proposed public company registration and has been trying for several years to have the position regularised.

**ANTIGUA PRINTING AND PUBLISHING LIMITED****COST OF GOODS MANUFACTURED AND SOLD****FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017****(Expressed in Eastern Caribbean Dollars)**

<b><u>Schedule 1</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Direct Materials</b>		
Inventory, beginning of year	453,259	550,171
Purchases of materials	257,943	231,576
	-----	-----
	711,202	781,747
Less: Inventory end of year	(529,020)	(453,259)
	-----	-----
<b>Direct Material Consumed</b>	182,182	328,488
<b>Direct Labour</b>	513,462	529,468
<b>Factory Overhead</b>		
Depreciation	44,972	31,645
Light, Power and Water	27,525	25,630
Repairs –Plant	31,801	47,088
	-----	-----
	104,298	104,363
	-----	-----
<b>Manufacturing Costs Incurred During the Year</b>	799,942	962,319
Add: Work in progress, beginning of year	23,586	22,262
	-----	-----
	823,528	984,581
Less: Work in progress, end of year	(11,645)	(23,586)
	-----	-----
<b>(Page 3)</b>	\$811,883	\$960,995
	=====	=====

**ANTIGUA PRINTING AND PUBLISHING LIMITED****SCHEDULE OF ADMINISTRATIVE EXPENSES****FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017****(Expressed in Eastern Caribbean Dollars)**

<b><u>Schedule 2</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Advertising and Promotion	-	360
Accounting fee	15,000	15,000
Bad debt expense	37,484	14,550
Directors' Fees	33,000	33,000
Depreciation	9,487	17,453
Insurance	47,311	42,461
Legal and Professional Fees	59,545	26,276
Motor Vehicle Operating	12,638	19,030
Office Supplies and Stationery	5,447	5,580
Postage, Telephone and Telex	16,849	19,402
Repairs Office Equipment	1,166	685
Salaries and Wages	111,087	109,901
Social Security and Medical Benefits Contributions	5,047	7,367
Pest Control	3,300	3,300
Repair & Maintenance	9,572	23,301
Sundry Expenses	1,326	1,552
Property Tax	6,112	1,500
Donations	150	305
License, Rates and Taxes	975	975
	-----	-----
<b>(Page 3)</b>	<b>\$375,496</b>	<b>\$341,998</b>
	=====	=====