

Schedule 1
FORM ECSRC – K
ANNUAL REPORT
PURSUANT TO SECTION 98(1) OF THE SECURITIES ACT

For the financial year ended JUNE 30, 2019

Issuer Registration number APP 25041970

ANTIGUA PRINTING & PUBLISHING LIMITED
(Exact name of reporting issuer as specified in its charter)

ANTIGUA & BARBUDA
(Territory of incorporation)

FACTORY ROAD, ST. JOHN'S, ANTIGUA & BARBUDA
(Address of principal office)

Reporting issuer's:

Telephone number (including area code): +1268 481-1500

Fax number: +1268 481-1515

Email address: antprint@candw.ag

(Provide information stipulated in paragraphs 1 to 14 hereunder)

Indicate whether the reporting issuer has filed all reports required to be filed by section 98 of the Securities Act, Cap. 21.16 during the preceding 12 months

Yes _____

No X

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report.

CLASS	NUMBER
COMMON/ORDINARY	1,900

SIGNATURES

The Chairman of the Board of Directors, the Chief Executive Officer and the Director Secretary shall sign this Annual Report on behalf of the Company. By so doing, each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Executive Officer, by signing this form is hereby certifying that the financial statements submitted fairly state the Company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Executive Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto), including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:

Eustace Parker

SIGNED AND CERTIFIED

Name of Chairman of the Board of Director:

Roland Walker

SIGNED AND CERTIFIED

Date: **November 30, 2019**

Date: **November 30, 2019**

Name of Director/Secretary

Mark Harris

SIGNED AND CERTIFIED

Date: **November 30, 2019**

INFORMATION TO BE INCLUDED IN FORM ECSRC-K

1. Business.

Provide a description of the developments in the main line of business including accomplishments and future plans. The discussion of the development of the reporting issuer's business need only include developments since the beginning of the financial year for which this report is filed.

Antigua Printing & Publishing Limited (APP) is a commercial enterprise which undertakes work for hotels, financial institutions (banks & credit unions), government departments, statutory bodies, large and small businesses, non-profit organizations as well as individuals.

The Company prints forms, reports, statements, posters, envelopes, programmes and a wide range of products as may be demanded by its customers. Its range of work includes black & white as well as colour.

APP is equipped with offset presses, digital colour press and printers, computers, typesetting and a host of equipment that can handle small as well as large volume commercial printing.

2. Properties.

Provide a list of properties owned by the reporting entity, detailing the productive capacity and future prospects of the facilities. Identify properties acquired or disposed off since the beginning of the financial year for which this report is filed.

The Company owns the land (1.404 acres) designated as Block 613-1891D Parcel 7 on which its single story building of 40+ years was erected. The building covers 5,100 sq. ft. The storage space on the property is complemented with two (2) 20 ft. and three (3) 40 ft. containers. A considerable fraction of the land is unoccupied and must be maintained. There is space for expansion.

There is a supermarket on the western boundary and an automotive supply and service establishment to the east of the property. Factory Road now renamed Sir Sydney Walling Highway, is a main artery to and from St. John's on the northern boundary.

3. Legal Proceedings.

Furnish information on any proceedings that were commenced or were terminated during the current financial year. Information should include date of commencement or termination of proceedings. Also include a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

There were no legal proceedings during the period. The persons who previously initiated legal proceedings, Mr. Donald Halsted and Mr. Egbert Joseph, have passed on and there appears no intention by the beneficiaries to pursue the matters.

4. Submission of Matters to a Vote of Security Holders.

If any matter was submitted to a vote of security holders through the solicitation of proxies or otherwise during the financial year covered by this report, furnish the following information:

- (a) The date of the meeting and whether it was an annual or special meeting.

The Company held Its Annual General Meeting on December 13, 2018.

(b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

The following persons were re-elected as Directors: Roland Walker, Mark Harris, Jennifer Murray, Garfield Smith and Ethlyn Gilead.

(c) A brief description of each other matter voted upon at the meeting and a statement of the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

The Members did not vote on any other matter during the period.

(d) A description of the terms of any settlement between the registrant and any other participant.

No settlement was made between the registrant and any other participant.

(e) Relevant details of any matter where a decision was taken otherwise than at a meeting of such security holders.

There was no relevant matter during the period.

5. Market for Reporting issuer's Common Equity and Related Stockholder Matters.

Furnish information regarding all equity securities of the reporting issuer sold by the reporting issuer during the period covered by the report.

No stocks/shares were traded during the period. Attention is directed to the fact that the audited statements for the period 2001 – 2010 show the total number of shares as 19,000 at \$100 each and a total capital of \$190,000.

The number of shares issued by the Company was 1,900 at \$100 each which amounts to \$190,000. The Intellectual Property Department cited the increase in number of shares as an irregularity; the calculation presented was incorrect.

6. Financial Statements and Selected Financial Data.

Provide Audited Financial Statements, which comprise the following:

For the most recent financial year

- (i) Auditor's report; and
- (ii) Statement of Financial Position;

For the most recent financial year and for each of the two financial years preceding the date of the most recent audited Statement of Financial Position being filed

- (iii) Statement of Profit or Loss and other Comprehensive Income;
- (iv) Statement of Cash Flows;
- (v) Statement of Changes in Equity; and
- (vi) Notes to the Financial Statements.

7. Disclosure about Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

Disclosure about Risk Factors

**Figure-1
2019 Risk Management Matrix**

7	Risk Category	Identified Risk Factor	Rationale for Rating	Overall Rating	Movement
7.1	Concentration Risk	(1) statutory bodies & central government concentration	(1) The proportion of Statutory & Government business increased from 29% to 36% in 2017, <i>fell sharply to 24% in 2018, but rose again in 2019 to 38%</i>	Medium-High	Deteriorated
7.2	Market Risk	(1) inventory supplier prices	(1) Paper market prices expected to rise in the near term	Medium/High	No Change
		(2) degree of adoption of new technology	(2) Slow to reduce operating cost through digital age technology and methodologies		
		(3) domestic economic conditions	(3) Domestic economic data suggest faster growth		
7.3	Liquidity Risk	(1) current asset mix	(1) Cash & Equivalents declined from 42% of current assets mix to 37%	Low	No Change
		(2) current liability mix	(2) Trade Payables grew from 15% to 17% of current liabilities		
		(3) working capital position	(3) Working capital ratio decreased from 2.5 in 2017 to 2.0 in 2018		
7.4	Solvency Risk	(1) asset to liability ratio	(1) Assets were 4.5 times liabilities in 2018 v 9.2 times in 2019	Low	No Change
		(2) equity to liability ratio	(2) Shareholders' equity was 3.5 times total liabilities in 2018 v 8.2 in 2019		
		(3) free capital ratio	(3) Free capital ratio surged from 2% in 2018 to 16% in 2019		
7.5	Credit Risk	(1) incidence of bad debts	(1) Greater-than-90-day Aging Mix rose from 40% in 2018 to 52% in 2019	Medium/Low	Deteriorated
		(2) domestic economic conditions	(2) Faster but uncertain future economic growth		
7.6	Internal Business Risk	(1) financial management competency	(1) Continuing need for in-house accounting/finance skill sets	Medium/High	Unchanged
		(2) cost controls	(2) COGS per \$1 Sale improved from 81 cents in 2018 to 73 cents in 2019, but not yet below 70 cents		
		(3) access to bank credit	(3) Quarterly financials production not yet in operation		

All figures expressed in Tables displayed in this report are in thousands of EC\$

Fig-1 depicts the main risk factors which impact the Company's performance and survivability. It also provides risk ratings for each important factor as well as the direction in which the risk category moved between the 2018 and 2019 financial years. Risk may be considered as the potential that events, expected or unanticipated, may have an adverse impact on the Company's capital or earnings. Risk is a part of business operations generally. The ability of management to effectively manage the level of risk is an important aspect of the business. Short-term cost-savings may increase the level of earnings, but eventually may lead to erosion of the capital in the long run.

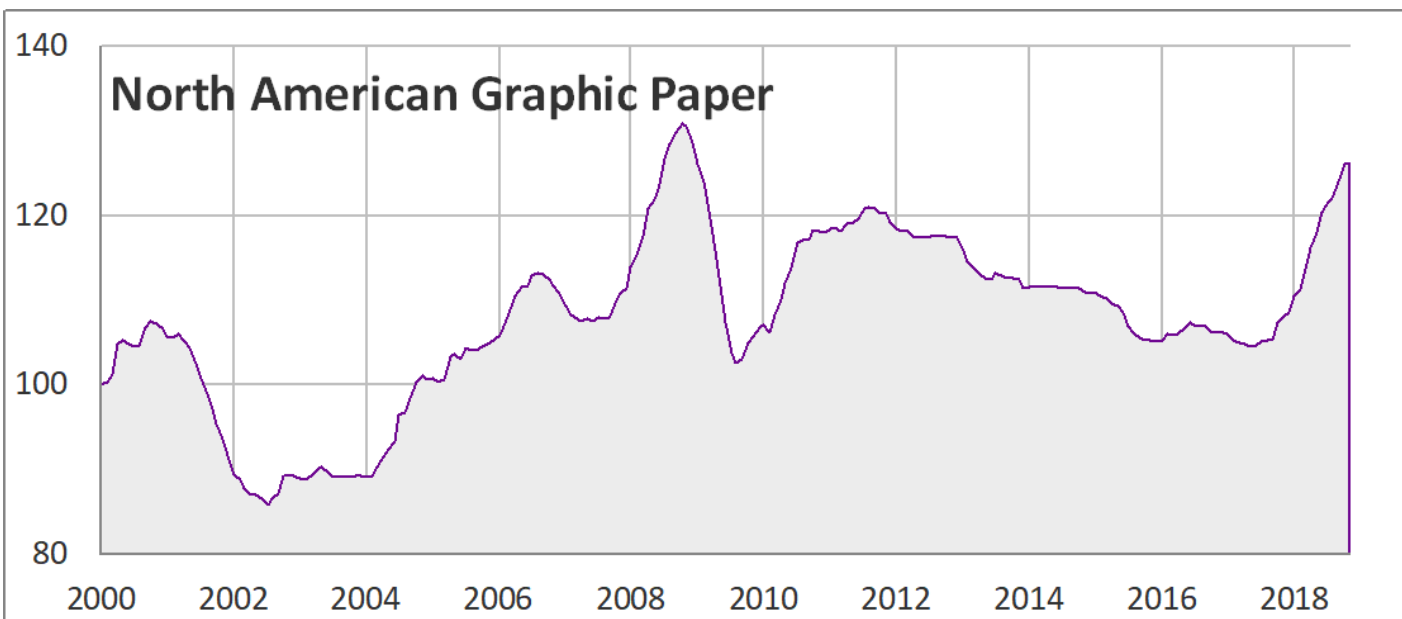
7.1 Concentration Risk

Table-BCR Business Concentration Risk	2014 Mix	2015 Mix	2016 Mix	2017 Mix	2018 Mix	2019 Mix	2014 % Mix	2015 % Mix	2016 % Mix	2017 % Mix	2018 % Mix	2019 % Mix	Table-BCR Business Concentration Risk
Statutory Bodies & Central Government	83	106	151	186	68	192	22%	26%	29%	36%	16%	38%	Statutory Bodies & Central Government
Other Customers	302	295	364	328	353	319	78%	74%	71%	64%	84%	62%	Other Customers
Total Accounts Receivable	385	401	515	514	421	510	100%	100%	100%	100%	100%	100%	Total Accounts Receivable
Table-BCR Business Concentration Risk		2015 Change	2016 Change	2017 Change	2018 Change	2019 Change		2015 % Change	2016 % Change	2017 % Change	2018 % Change	2019 % Change	Table-BCR Business Concentration Risk
Statutory Bodies & Central Government		23	45	35	-118	124		27%	42%	23%	-63%	182%	Statutory Bodies & Central Government
Other Customers		-7	69	-36	25	-34		-2%	24%	-10%	8%	-10%	Other Customers
Total Accounts Receivable		16	114	-1	-93	89		4%	29%	0%	-18%	21%	Total Accounts Receivable

7.1.1 Using end-of-year values of accounts receivable as a proxy for exposure of APP (**Antigua Printing & Publishing Limited**) to *Statutory Bodies and Central Government (SB&CG)*, a key measure of business concentration risk, the published data show that dependence on this market segment reached an all-time high of 38% in 2019 as against a minimum level of 16% achieved last year. ***The target upper limit set by APP for the SB&CG segment is 25% of total accounts receivable.*** The 2019 posting seems to demonstrate the continuation of a trend for the Company to continue as a niche-market producer, a trend which was interrupted very briefly by the 2018 performance. On the basis of this demonstrated vulnerability, we have reverted to setting ***Concentration Risk at Medium-High.***

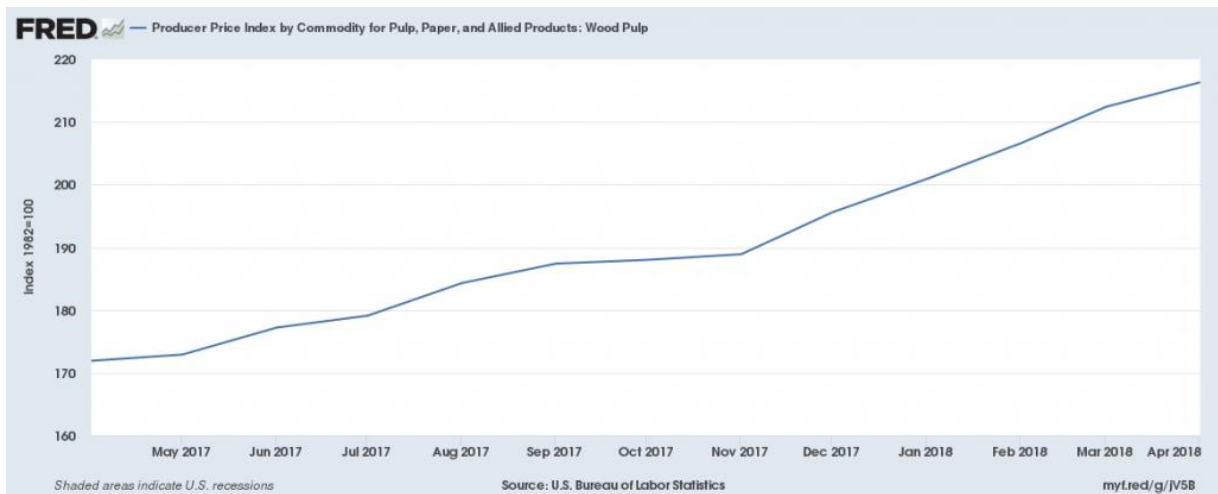
7.2 Market Risk

- 7.2.1** Market risk relates to exposure to adverse exogenous (**externally driven**) movement in market variables, including interest rates, prices and exchange rates.
- 7.2.2** Variability in exchange rates do not directly impact market risk because the Company's main suppliers, who are US-based, invoice their shipments in US dollars; and the EC dollar fixed 2.7 peg to the US dollar has endured decades of trading history.
- 7.2.3** Similarly, the Company is insulated from interest rate fluctuations because it does not have any significant interest-bearing liabilities.



<https://www.risiinfo.com>

7.2.4 It is however vulnerable to shifts in market prices for its raw materials comprising paper, ink and other printing supplies emanating mainly from the United States of America. The above North American Graphic Paper chart indicates that paper prices in the US had been on the decline between 2012 and 2016, but began rising again in 2018.



^A<https://www.smithcorona.com/blog/paper-mills-increase-prices/>

7.2.5 ***“^AAccording to the US Bureau of Labor Statistics, the Producer Price Index for pulp, paper, and allied products has risen from 167.4 in February of 2017 to 212.4 in March of 2018. This increase of over 25% was not expected to slow down”.***

7.2.6 And the forecast for 2019 is a continuation of the upward trend driven by:

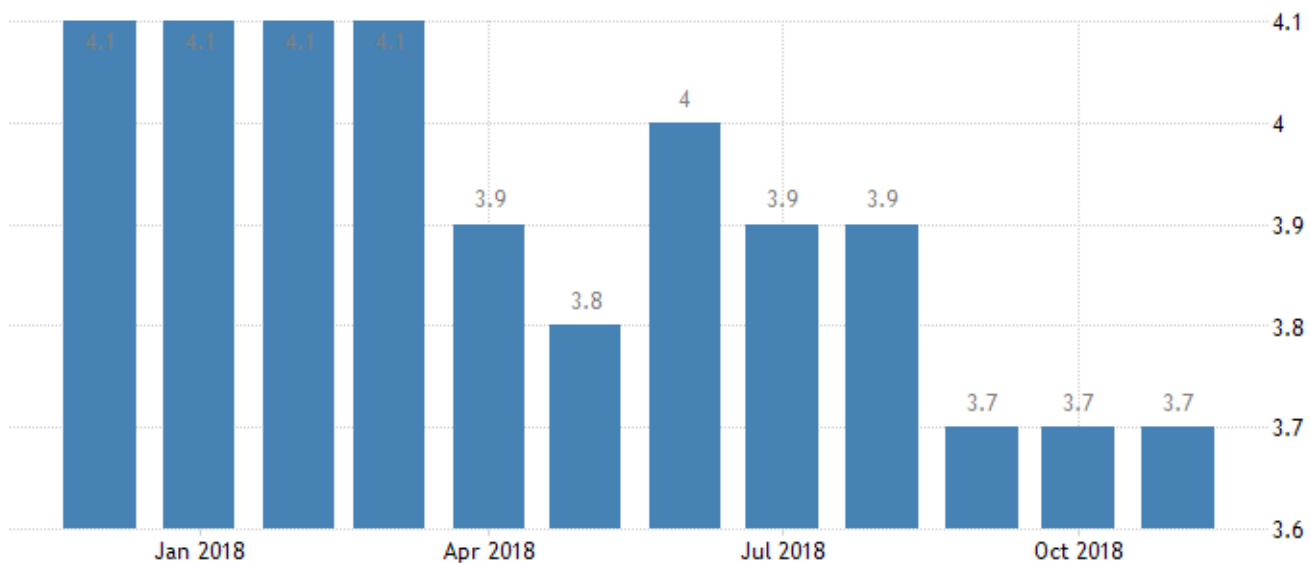
7.2.6.1 Increased market demand for specific paper products and the chemicals used in their manufacture,

7.2.6.2 Compression in mill capacity from the repurposing of mills to other product uses and closure of several large mills from the unsustainable low prices which characterised the 20-year period ended 2016,

7.2.6.3 High entry barriers for new entrants in a business that requires years of investment in capacity building and years to acquire qualifications within the supply chain.

Table-S US Economic Indicators	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
⁴ Economic Growth (GDP)	2.5%	1.6%	2.2%	1.5%	2.4%	2.6%	2.1%	2.4%	2.9%	2.4%
⁵ Unemployment Rate	9.6%	8.9%	8.1%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%
⁶ Inflation Rate	1.6%	3.2%	2.1%	1.5%	1.6%	10.0%	1.3%	2.1%	1.9%	1.6%
⁷ GDP per Capita in US\$ (000 omitted)	48	49	49	50	51	52	52	53	54	55

US Unemployment 2018



SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

7.2.7 **Table-S** portrays moderate economic growth concurrent with continued lowering of unemployment rates, with October and November 2018 posting 49-year lows of 3.7%, signifying that the economy has virtually reached full employment status. Labour market tightening and moderate economic growth at the macro level will exert continued pressure on prices at the industry level.

Table-Z4 Total Manufactured Goods Materials Costs	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Direct Materials Consumed	205	112	322	327	382	255	328	182	474	341
Add: Work-in-progress beginning of year	16	69	8	11	10	11	22	24	12	2
Less: Work-in-progress end of year	-69	-8	-11	-10	-11	-22	-24	-12	-2	-5
Total Manufactured Goods Materials Costs	152	174	319	328	382	243	327	194	484	339
Sales	1,093	1,200	1,308	1,129	1,136	1,186	1,461	1,398	1,377	1,382
Materials Costs to Sales Ratio	14%	14%	24%	29%	34%	21%	22%	14%	35%	25%

7.2.8 **Table-Z4's** Materials Cost to Sales Ratio receded from last year's 10-year high of 35% to 25%, despite the upward movement in paper prices in the United States. This counter-market movement is not however related to import price changes but rather to the changes in stock valuation methodology instituted last year.

7.2.9 The 10 % fall in materials cost to sales ratio notwithstanding, given the continuing trend for paper prices to remain on an upward trajectory, we decided to keep our grading of market risk to **Medium/High**.

7.3 Liquidity Risk

Table-B1 Current Asset Mix	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cash & cash equivalents	201	151	188	94	97	167	207	392	548	465
Accounts receivable	405	440	487	385	412	414	545	483	423	519
Inventory & WIP	315	399	385	512	385	572	477	541	324	269
Total Current Assets	921	990	1,060	991	894	1,153	1,228	1,416	1,295	1,253
Table-B2 Current Liability Mix	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Trade creditors	233	17	99	121	109	197	162	143	55	70
Provision for taxation	231	254	235	197	182	181	247	235	285	284
Other accounts payable	66	66	68	68	73	74	75	89	33	58
Total Accounts Payable & Accruals	530	337	402	387	364	453	484	468	373	411

Table-B1a Current Asset % Mix	2010 % Mix	2011 % Mix	2012 % Mix	2013 % Mix	2014 % Mix	2015 % Mix	2016 % Mix	2017 % Mix	2018 % Mix	2019 % Mix
Cash & cash equivalents	22%	15%	18%	9%	11%	14%	17%	28%	42%	37%
Accounts receivable	44%	44%	46%	39%	46%	36%	44%	34%	33%	41%
Inventory & WIP	34%	40%	36%	52%	43%	50%	39%	38%	25%	21%
Total Current Assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Table-B2b Current Liability % Mix	2010 % Mix	2011 % Mix	2012 % Mix	2013 % Mix	2014 % Mix	2015 % Mix	2016 % Mix	2017 % Mix	2018 % Mix	2019 % Mix
Trade creditors	44%	5%	25%	31%	30%	44%	33%	31%	15%	17%
Provision for taxation	44%	76%	58%	51%	50%	40%	51%	50%	76%	69%
Other accounts payable	12%	20%	17%	18%	20%	16%	15%	19%	9%	14%
Total Accounts Payable & Accruals	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

7.3.1 As a percentage of total current assets, cash & its equivalents should be kept within a target range of **15% to 20%**. As at the end of the 2019 financial year the ratio, at 37%, reached its second highest level in six years.

7.3.2 The accounts receivable mix is set to fluctuate between the target range **40% to 50%**. At 41% in 2019, this ratio is now within the lower end of the target range set by the Company.

7.3.3 Inventory's target range is **30% to 35%**. At 21% in 2019, as against 25% in 2018, Inventory remained below the minimum target level of 30%. Given that inventory is the least liquid of the assets which comprise liquid assets, carrying lower levels than set by the Company's target range in fact strengthens the liquidity position.

7.3.4 At the end of 2019, Trade Credit as a % of Total Accounts Payable & Accruals rose slightly to 17% following last year's 6-year record low of 15%.

7.3.5 *We continue to rate Liquidity Risk as Low.* Additional comments on liquidity appear in Section-10 under the caption "*Liquidity and Capital Resources*".

7.4 Solvency Risk

7.4.1 Solvency assesses the ability of the Company to continue in business over the long term.

Table-C	2010	2,011	2,012	2,013	2014	2015	2016	2017	2018	2019
Total Assets	2,390	2,418	2,550	2,451	2,328	2,561	5,472	5,633	5,435	5,371
Total Liabilities	1,002	952	1,054	1,028	1,038	1,220	1,694	1,292	1,195	586
Assets/Liability Ratio	2.4	2.5	2.4	2.4	2.2	2.1	3.2	4.4	4.5	9.2
Table-D	2010	2,011	2,012	2,013	2014	2015	2016	2017	2018	2019
Total Equity	1,388	1,465	1,496	1,424	1,290	1,342	3,778	4,341	4,240	4,786
Total Liabilities	1,002	952	1,054	1,028	1,038	1,220	1,694	1,292	1,195	586
Equity/Liability Ratio	1.4	1.5	1.4	1.4	1.2	1.1	2.2	3.4	3.5	8.2
Table-E	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Equity	1,388	1,465	1,496	1,424	1,290	1,342	3,778	4,341	4,240	4,786
Total Fixed Assets	1,470	1,428	1,491	1,461	1,433	1,408	4,244	4,217	4,140	4,118
Free Capital (total equity less total fixed assets)	-82	37	5	-37	-143	-66	-466	124	100	668
Free Capital Ratio	-6%	3%	0%	-3%	-10%	-5%	-11%	3%	2%	16%

Table-C	2011 % Change	2012 % Change	2013 % Change	2014 % Change	2015 % Change	2016 % Change	2017 % Change	2018 % Change	2019 % Change
Total Assets	1%	5%	-4%	-5%	10%	114%	3%	-4%	-1%
Total Liabilities	-5%	11%	-3%	1%	18%	39%	-24%	-8%	-51%
Assets/Liability Ratio	6%	-5%	-1%	-6%	-6%	54%	35%	4%	102%
Table-D	2011 % Change	2012 % Change	2013 % Change	2014 % Change	2015 % Change	2016 % Change	2017 % Change	2018 % Change	2019 % Change
Total Equity	6%	2%	-5%	-9%	4%	182%	15%	-2%	13%
Total Liabilities	-5%	11%	-3%	1%	18%	39%	-24%	-8%	-51%
Equity/Liability Ratio	11%	-8%	-2%	-10%	-12%	103%	51%	6%	130%
Table-E	2011 % Change	2012 % Change	2013 % Change	2014 % Change	2015 % Change	2016 % Change	2017 % Change	2018 % Change	2019 % Change
Total Equity	6%	2%	-5%	-9%	4%	182%	15%	-2%	13%
Total Fixed Assets	-3%	4%	-2%	-2%	-2%	201%	-1%	-2%	-1%
Free Capital (total equity less total fixed assets)	-145%	-86%	-817%	285%	-54%	601%	-127%	-20%	569%
Free Capital Ratio	-147%	-87%	-832%	293%	-53%	133%	-127%	-18%	573%

* **Free Capital Ratio = [Free Capital ÷ Total Equity] [Free Capital = Total Equity - Fixed Assets]**

7.4.2 The classical measure of solvency for a business is the Asset/Liability Ratio. In 2019 the ratio doubled from 4.5 in 2018 to 9.2, which means that the company held \$9 in assets for each \$1 in liabilities, a sea-change performance driven by a \$648,000 fall in Directors' Advance and \$511,000 increase in Capital Reserves (Table-CH), the result of substantial mutual settlement of this long recorded liability through negotiation with affected Directors with legal and accounting guidance. This welcomed development pushed the Equity to Liability Ratio from 3.5 to 8.2, further evidence of unprecedented solid solvency. Another welcome development, the Free Capital Ratio which in previous financial years either stayed negative or flirted with performances ranging from 2% to 3% reached a solid level of 16% in 2019.

Table-CH			
Key Changes in Accounts affecting Solvency			
Accounts	2018	2019	Change
Directors' Advance	821,826	174,200	647,626
Capital Reserves	386,824	897,797	-510,973

7.4.3 This very positive shift in solvency reaffirms our previous and continuous rating of **solvency risk as Low**.

7.5 Credit Risk

Table-H Bad Debt Provision Cover	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Trade receivables	452	461	556	472	496	512	641	640	477	584
Less: provision for bad debts	55	55	111	111	111	111	126	163	60	73
Net Receivables	396	405	444	361	385	401	515	476	417	511
Bad Debt Provision to Trade Receivable Ratio	12.2%	12.0%	20.0%	23.6%	22.4%	21.7%	19.6%	25.5%	12.6%	12.5%
Table-H Bad Debt Provision Cover % Change	2011 % Change	2012 % Change	2013 % Change	2014 % Change	2015 % Change	2016 % Change	2017 % Change	2018 % Change	2019 % Change	
Trade receivables	2%	21%	-15%	5%	3%	25%	0%	-25%	22%	
Less: provision for bad debts	0%	101%	0%	0%	0%	13%	30%	-63%	22%	
Net Receivables	2%	10%	-19%	7%	4%	29%	-8%	-12%	23%	
Bad Debt Provision to Trade Receivable Ratio	-2%	67%	18%	-5%	-3%	-10%	30%	-51%	-1%	

7.5.1 Credit risk refers to the risk that counter-parties will default on contractual obligations resulting in financial loss to the Company. The Company's credit risk is primarily attributable to its trade and other receivables.

7.5.2 (Table-H) Bad debt provisions as a percentage of trade receivables remained virtually unchanged between financial years. Growth in the greater-than 90-day old Accounts Receivable (**Table-AR-1**) from 39% of the Aging Mix in 2018 to 2019's 52%, may be a sign for the Company to resume putting pressure on its trade debtors to liquidate their long outstanding account balances. It might also signal a need to do an in-depth account-by-account analysis to ascertain the advisability of writing-off or retaining resistant hard-core receivables.

Table-AR-1 Accounts Receivable Aging Schedule Summary													
Accounts Receivable Aging Mix							Accounts Receivable % Aging Mix						
Year	Current	1-30	31-60	61-90	>90	Total	Current	1-30	31-60	61-90	>90	Total	Year
2014	48	31	22	12	272	385	12%	8%	6%	3%	71%	100%	2014
2015	97	28	22	9	244	401	24%	7%	5%	2%	61%	100%	2015
2016	51	106	32	24	302	515	10%	21%	6%	5%	59%	100%	2016
2017	76	45	23	44	326	514	15%	9%	4%	8%	63%	100%	2017
2018	148	37	50	20	166	421	35%	9%	12%	5%	39%	100%	2018
2019	89	86	42	26	267	510	17%	17%	8%	5%	52%	100%	2019

7.5.3 Reversion in the Greater-than 90-Day Aging Mix to above 50% and the signal that hard core balances need urgent analysis and attention dictate caution in our characterization of credit risk. Accordingly, we have decided to change our rating of **Credit Risk from Low to Medium Low**.

7.6 Internal Risk

7.6.1 Internal risk is defined as one which is based on factors which the Company can control (**endogenous variables**). These factors include:

7.6.1.1 Availability of various competencies the business needs to attain its objectives,

7.6.1.2 People management skills to maintain a stable, productive industrial climate,

7.6.1.3 Access to and use of new and emerging technologies,

7.6.1.4 Sound preventive maintenance practices and scheduling,

7.6.1.5 Control of inventory with tried and tested systems

7.6.1.6 Sound financial management,

7.6.1.7 Access to trade finance and bank credit,

7.6.1.8 Use of appropriate forecasting and planning tools & techniques,

7.6.1.9 Disciplined, focussed marketing and sales activity, and

7.6.1.10 Effective cost controls.

7.6.2 Most successful businesses take tactical and strategic decisions based on reliable up-to-date financial information. This is normally facilitated from output reports from a dedicated accounting and finance function available internally or from a source outside of the firm. Past delays in timely production of annual audited financial statements no longer exist.

7.6.3 The goal of preparing timely internal quarterly financial statements and accompanying analysis has not yet seen actualization but remains on the Board's radar of important future tasks. Although the Board took a decision to commence the process of quarterly financial reporting starting with fiscal quarter ending December 31, 2018, this goal was not achieved.

Table-T Gross Profit Margin %	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cost of goods manufactured & sold	729	797	915	847	1,004	865	961	812	1,113	1,008
Sales	1,093	1,200	1,308	1,129	1,136	1,186	1,461	1,398	1,377	1,382
Cost of each sales dollar	0.67	0.66	0.70	0.75	0.88	0.73	0.66	0.58	0.81	0.73
Cost of goods to Sales Ratio	67%	66%	70%	75%	88%	73%	66%	58%	81%	73%
Gross Margin	364	402	393	282	132	322	500	586	264	373
Sales	1,093	1,200	1,308	1,129	1,136	1,186	1,461	1,398	1,377	1,382
Gross profit from each sales dollar	0.33	0.34	0.30	0.25	0.12	0.27	0.34	0.42	0.19	0.27
Gross Margin %	33.3%	33.5%	30.1%	25.0%	11.6%	27.1%	34.2%	41.9%	19.1%	27.0%
Table-T Gross Profit Margin % Change	2011 % Change	2012 % Change	2013 % Change	2014 % Change	2015 % Change	2016 % Change	2017 % Change	2018 % Change	2019 % Change	
Cost of goods manufactured & sold	9%	15%	-7%	19%	-14%	11%	-16%	37%	-9%	
Sales	10%	9%	-14%	1%	4%	23%	-4%	-2%	0%	
Cost of each sales dollar	0%	5%	7%	18%	-18%	-10%	-12%	39%	-10%	
Cost of goods to Sales Ratio	0%	5%	7%	18%	-18%	-10%	-12%	39%	-10%	
Gross Margin	11%	-2%	-28%	-53%	144%	55%	17%	-55%	42%	
Sales	10%	9%	-14%	1%	4%	23%	-4%	-2%	0%	
Gross profit from each sales dollar	1%	-10%	-17%	-54%	134%	26%	23%	-54%	41%	
Gross Margin %	1%	-10%	-17%	-54%	134%	26%	23%	-54%	41%	

7.6.4 **Cost controls**, a management responsibility, call for maintenance of operating systems and interrogation of cost/revenue variances. **Table-T** above shows that each sales dollar costs the Company 73 cents (**2018 cost 81 cents**), an improvement on last year, but still too costly to generate

the earnings level consonant with the Company's goals. At 27 cents, gross profit per sales dollar recovered from last year's precipitous fall to 19 cents, but still short of APP's target range of 30-35 cents.

Table-Z2 Analyzing Insurance Costs	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Insurance as Manufacturing Cost	0	0	0	0	0	0	0	0	0	0
Insurance as Administrative Cost	7	46	49	58	29	32	42	47	51	55
Total	7	46	49	58	29	32	42	47	51	55

Table-Z2 Analyzing Insurance Costs %	2011 %	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %	2019 %
	Change	Change	Change	Change	Change	Change	Change	Change	Change
Insurance as Manufacturing Cost	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Insurance as Administrative Cost	575%	7%	17%	-51%	12%	33%	11%	8%	7%
Total	575%	7%	17%	-51%	12%	33%	11%	8%	7%

7.6.5 Insurance costs increased 7%, from \$51,000 to \$55,000 between 2018 and 2019.

7.6.6 The Company partially reversed the 2018 sharp rise in Cost of Goods Sold per Sale Dollar, from last year's posting of 81 cents per sale dollar to 73 cents in 2019. COGS-per-Sale-Dollar needs to recede to below 70 cents for minimum target profitability to become a reality. As stated in last year's report, APP has not yet commenced producing quarterly financial statements with analysis and operating reports. Until and unless COGS-per-Sale-Dollar falls below the \$70 limit we will continue to rate *Internal Risk as Medium/High*.

8. Changes in Securities and Use of Proceeds.

- (a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

There has been no change in securities during the period. The securities have not been traded; past profits remain undistributed and have been reinvested in the Company, mainly to purchase machinery/computers and for renovations/refurbishing the building, as well as to maintain liquidity.

- (b) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

- Offer opening date (provide explanation if different from date disclosed in the registration statement)

There has been no change in dates. The results of performance have not been submitted to the Registrar as the Company was de-registered.

- Offer closing date (provide explanation if different from date disclosed in the registration statement)

Dates remain the same

- Name and address of underwriter(s)

No underwriters have been appointed.

- Amount of expenses incurred in connection with the offer

Not applicable

- Net proceeds of the issue and a schedule of its use

Not applicable

- Payments to associated persons and the purpose for such payments

No payments were made

- (c) Report any working capital restrictions and other limitations upon the payment of dividends.

Payment of dividend would have resulted in reduction of working capital and reduced the Company's ability to prospectively purchase equipment needed to boost productivity.

9. Defaults upon Senior Securities.

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 percent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrear on the date of filing this report.

There was no material default in payment of creditors or instalment payment for hire purchase equipment. Company tax instalment payment was as arranged.

- (b) If any material arrears in the payment of dividends have occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

No dividend was recommended by the Board. The dividend payable in the financial statement was the amount which remains unpaid from the pre-2000 dividends. The sum was due to shareholders who could not be located at the address provided.

10. Management's Discussion and Analysis of Financial Condition and Results of Operation.

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the financial year of the filing. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated.

The Management's Discussion and Analysis should disclose sufficient information to enable investors to judge:

1. The quality of earnings;
2. The likelihood that past performance is indicative of future performance; and
3. The issuer's general financial condition and outlook.

It should disclose information over and above that which is provided in the management accounts and should not be merely a description of the movements in the financial statements in narrative form or an otherwise uninformative series of technical responses. It should provide management's perspective of the company that enables investors to view the business from the vantage point of management.

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures taken or to be taken to address unfavourable trends; key performance indicators; and non-financial indicators.

Liquidity and Capital Resources

Provide a narrative explanation of the following (but not limited to):

- i) The reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations.
- ii) Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.
- iii) The issuer's internal and external sources of liquidity and any material unused sources of liquid assets.
- iv) Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.
- v) Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.
- vi) Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.
- vii) The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.
- viii) The issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments.
- ix) Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.

10.1 Liquidity

10.2 Even when a Company becomes insolvent, it may still be able to continue trading as long as it has enough liquidity. Liquidity expresses the degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price.

Table-A Current Liability Cover	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Current Assets	921	990	1,060	991	894	1,153	1,228	1,416	1,295	1,253
Total Current Liabilities	530	337	402	387	364	453	484	468	373	411
Working Capital (WC)	391	653	658	603	530	700	744	948	922	842
Current Assets / Current Liabilities Ratio	1.7	2.9	2.6	2.6	2.5	2.5	2.5	3.0	3.5	3.0
WC Ratio = WC / Curr. Liab.	0.7	1.9	1.6	1.6	1.5	1.5	1.5	2.0	2.5	2.0
Table-B Working Capital Directors' Advance Cover	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Working Capital	391	653	658	603	530	700	744	948	922	842
Directors' Advance	472	654	693	641	674	767	823	824	822	174
WC / Directors' Advance Cover	-82	-2	-36	-37	-144	-66	-79	124	100	668
WC / Directors' Advance % Cover	83%	100%	95%	94%	79%	91%	90%	115%	112%	483%
Table-A Current Liability Cover % Change		2011 %	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %	2019 %
		Change	Change	Change	Change	Change	Change	Change	Change	Change
Total Current Assets		7%	7%	-7%	-10%	29%	7%	15%	-9%	-3%
Total Current Liabilities		-36%	19%	-4%	-6%	24%	7%	-3%	-20%	10%
Working Capital (WC)		67%	1%	-8%	-12%	32%	6%	27%	-3%	-9%
Current Assets / Current Liabilities Ratio		69%	-10%	-3%	-4%	4%	0%	19%	15%	-12%
WC Ratio = WC / Curr. Liab.		163%	-16%	-5%	-7%	6%	-1%	32%	22%	-17%
Table-B Working Capital Directors' Advance Cover % Change		2011 %	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %	2019 %
		Change	Change	Change	Change	Change	Change	Change	Change	Change
Working Capital		67%	1%	-8%	-12%	32%	6%	27%	-3%	-9%
Directors' Advance		39%	6%	-8%	5%	14%	7%	0%	0%	-79%
WC / Directors' Advance Cover		-98%	1832%	4%	286%	-54%	19%	-257%	-20%	569%
WC / Directors' Advance % Cover		21%	-5%	-1%	-16%	16%	-1%	27%	-3%	331%

10.3 (Table-A): **Working Capital**, at \$842,000, declined to pre-2017 levels due to a 10% rise in current liabilities, causing the working capital ratio to deteriorate by 17%, following two consecutive years of moderate growth. Settlement of the directors' advance issue was the main contributor to the fall in liquidity. The impact on liquidity could have been significantly more severe, however, if the Company had been compelled to absorb the full effect of the former liability, an issue whose potential resolution path previously dominated solvency and liquidity discussions.

10.4 **Working Capital to Directors-Advance-Cover** (Table-B) measures the ability of the Company to liquidate this long-term liability by using its working capital (**net current assets**). Substantial liquidation of the Directors' Advance Liability reset this ratio from last year's level of 112% to 483%. Accordingly, if the Company were to pay off the 2019 balance of Directors' Advance in full, \$668,000 would remain in working capital.

Table-DAL Directors' Advance as % Total Liabilities	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Table-DAL Directors' Advance as % Total Liabilities
Current Liabilities (incl notes payable)	532	339	404	389	366	455	486	470	375	413	Current Liabilities (incl notes payable)
Directors' Advance	472	654	693	641	674	767	823	824	822	174	Directors' Advance
Deferred Un-realized Income	0	0	0	0	0	0	387			0	Deferred Un-realized Income
Total Liabilities	1,004	993	1,097	1,030	1,040	1,222	1,696	1,294	1,197	588	Total Liabilities
Directors' Advance to Total Liabilities Ratio	47%	66%	63%	62%	65%	63%	49%	64%	69%	30%	Directors' Advance to Total Liabilities Ratio

10.5 (Table-DAL) Directors' Advance represented 30% of total current liabilities, compared with previous levels of 47% (2010) to 69% (2018). Normalcy should continue into future trading years with settlement of the bulk of this item in 2019.

Table-B1 Current Asset Mix	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cash & cash equivalents	201	151	188	94	97	167	207	392	548	465
Accounts receivable	405	440	487	385	412	414	545	483	423	519
Inventory & WIP	315	399	385	512	385	572	477	541	324	269
Total Current Assets	921	990	1,060	991	894	1,153	1,228	1,416	1,295	1,253
Table-B2 Current Liability Mix	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Trade creditors	233	17	99	121	109	197	162	143	55	70
Provision for taxation	231	254	235	197	182	181	247	235	285	284
Other accounts payable	66	66	68	68	73	74	75	89	33	58
Total Accounts Payable & Accruals	530	337	402	387	364	453	484	468	373	411
Related parties (mainly Directors' advance)	472	654	693	641	674	767	823	824	822	174
Table-B1a Current Asset % Mix	2010 % Mix	2011 % Mix	2012 % Mix	2013 % Mix	2014 % Mix	2015 % Mix	2016 % Mix	2017 % Mix	2018 % Mix	2019 % Mix
Cash & cash equivalents	22%	15%	18%	9%	11%	14%	17%	28%	42%	37%
Accounts receivable	44%	44%	46%	39%	46%	36%	44%	34%	33%	41%
Inventory & WIP	34%	40%	36%	52%	43%	50%	39%	38%	25%	21%
Total Current Assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Table-B2b Current Liability % Mix	2010 % Mix	2011 % Mix	2012 % Mix	2013 % Mix	2014 % Mix	2015 % Mix	2016 % Mix	2017 % Mix	2018 % Mix	2019 % Mix
Trade creditors	44%	5%	25%	31%	30%	44%	33%	31%	15%	17%
Provision for taxation	44%	76%	58%	51%	50%	40%	51%	50%	76%	69%
Other accounts payable	12%	20%	17%	18%	20%	16%	15%	19%	9%	14%
Total Accounts Payable & Accruals	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

10.6 Table-B1a indicates that provision for taxation as a percentage of total accounts payable & accruals reached declined from 76% in 2018 to 69% in 2019. APP recognizes the need to settle its corporate tax liability with Inland Revenue. Cash on hand at the end of 2019 was \$465,000 (2017, 548,000), while the amount provided for taxation remained at the 2018 level of \$285,000. On this basis, if all taxes were paid at the end of fiscal 2018, APP's bank balance would shrink to \$181,000. ***This revelation again reinforces the need to pay the tax liability in instalments.***

Table-AR-1 Accounts Receivable Aging Schedule Summary

Accounts Receivable Aging Mix							Accounts Receivable % Aging Mix						
Year	Current	1-30	31-60	61-90	>90	Total	Current	1-30	31-60	61-90	>90	Total	Year
2014	48	31	22	12	272	385	12%	8%	6%	3%	71%	100%	2014
2015	97	28	22	9	244	401	24%	7%	5%	2%	61%	100%	2015
2016	51	106	32	24	302	515	10%	21%	6%	5%	59%	100%	2016
2017	76	45	23	44	326	514	15%	9%	4%	8%	63%	100%	2017
2018	148	37	50	20	166	421	35%	9%	12%	5%	39%	100%	2018
2019	89	86	42	26	267	510	17%	17%	8%	5%	52%	100%	2019

10.7 **Table-AR-1** portrays a year-on-year deterioration in the quality of Accounts Receivable due to an increase from 39% to 52% in the proportion of trade debts with ages beyond 90 days (See Section 7.5.2 above).

Table-T1 Inventory Turnover Rates	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cost of goods manufactured & sold	729	797	915	847	1,004	865	961	812	1,113	1,008
Inventory end of current year	315	399	385	512	385	572	477	541	324	269
Inventory end of previous	238	315	399	385	512	385	572	541	324	269
Average Inventory = Year-1+Year-2 inventory/2	276	357	392	448	449	479	525	541	324	269
Inventory Turnover =cost of goods sold / average inventory	2.6	2.2	2.3	1.9	2.2	1.8	1.8	1.5	3.4	3.7
# of months to turnover inventory = Inventory turnover/12	4.5	5.4	5.1	6.4	5.4	6.6	6.6	8.0	3.5	3.2
Table-T1 Inventory Turnover Rates % Change	2011 %	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %	2019 %	
Cost of goods manufactured & sold	9%	15%	-7%	19%	-14%	11%	-16%	37%	-9%	
Inventory end of current year	27%	-4%	33%	-25%	49%	-17%	13%	-40%	-17%	
Inventory end of previous	32%	27%	-4%	33%	-25%	49%	-6%	-40%	-17%	
Average Inventory = Year-1+Year-2 inventory/2	29%	10%	14%	0%	7%	10%	3%	-40%	-17%	
Inventory Turnover =cost of goods sold / average inventory	-15%	4%	-19%	18%	-19%	1%	-18%	129%	9%	
# of months to turnover inventory = Inventory turnover/12	18%	-4%	24%	-16%	24%	-1%	22%	-56%	-8%	

10.8 **Table-T1** provides evidence of improved inventory management with inventory turning over 3.7 times in 2019 against 3.4 times in 2018. This was the best performance in nine-year period ended June 2019 as the Company took only 3.2 months to sell average inventory compared with 3.5 months last year. The past two years therefore represent consecutive record performance in inventory turnover.

10.9 Capital Resources

10.10 A Company's strength can be measured by comparing the relationship between its capital and total liabilities (**leverage ratio**). One such indicator is the **equity to liability ratio** which demonstrates that if the Company were to sell off all of its assets and receive full book value for same, the surplus remaining after liquidation of the Company's liabilities would be equal to its shareholders' equity, which may be viewed as a cushion against any shortfalls which may occur during the asset selloff. The higher the cushion (**total equity**), the lower will be the probability that the Company will default on repayment of its debts.

Table-EL Equity (without Revaluation Reserve) to Liability Ratio	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Equity (including Revaluation Reserve)	1,388	1,465	1,496	1,424	1,290	1,342	3,778	4,341	4,240	4,786
Revaluation Reserve	1,468	1,468	1,468	1,468	1,468	1,468	3,761	3,761	3,733	3,733
Equity (excluding Revaluation Reserve)	-80	-3	28	-45	-178	-126	17	580	507	1,053
Total Liabilities	1,002	952	1,054	1,028	1,038	1,220	1,694	1,292	1,195	586
Equity (including Revaluation Reserve) to Liabilities Ratio	1.38	1.54	1.42	1.38	1.24	1.10	2.23	3.36	3.55	8.17
Equity (excluding Revaluation Reserve) to Liabilities Ratio	-0.08	0.00	0.03	-0.04	-0.17	-0.10	0.01	0.45	0.42	1.80
Table-EL Equity (without Revaluation Reserve) to Liability Ratio	2011 % Change	2012 % Change	2013 % Change	2014 % Change	2015 % Change	2016 % Change	2017 % Change	2018 % Change	2019 % Change	
Equity (including Revaluation Reserve)	6%	2%	-5%	-9%	4%	182%	15%	-2%	13%	
Revaluation Reserve	0%	0%	0%	0%	0%	156%	0%	-1%	0%	
Equity (excluding Revaluation Reserve)	-97%	-1156%	-259%	300%	-29%	-114%	3260%	-13%	108%	
Total Liabilities	-5%	11%	-3%	1%	18%	39%	-24%	-8%	-51%	
Equity (including Revaluation Reserve) to Liabilities Ratio	11%	-8%	-2%	-10%	-12%	103%	51%	6%	130%	
Equity (excluding Revaluation Reserve) to Liabilities Ratio	-97%	-1054%	-263%	296%	-40%	-110%	4304%	-5%	324%	

10.11 **Table-EL** reflects a much-improved capital position compared with all eight previous accounting periods because the exclusion of capital reserve from total equity produces a positive ratio of 1.8 against total liabilities. The best performance prior to 2019 was the 0.45 ratio observed in 2017.

10.12 For further information on the performance of capital in the Company, please refer to Section-7, **“Disclosure about Risk Factors”**, under Sub-Section-7.4 under the caption **“Solvency Risk”**.

Off Balance Sheet Arrangements

Provide a narrative explanation of the following (but not limited to):

- i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.
- ii) The extent of the issuer’s reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.
- iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial on-going relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the off-balance sheet arrangements.
- iv) The effects on the issuer’s business and financial condition of the entity’s termination if it has a finite life or it is reasonably likely that the issuer’s arrangements with the entity may be discontinued in the foreseeable future.

There are no off-balance sheet transactions or arrangements.

Results of Operations

In discussing results of operations, issuers should highlight the company's products and services, facilities and future direction. There should be a discussion of operating considerations and unusual events, which have influenced results for the reporting period. Additionally, any trends or uncertainties that might materially affect operating results in the future should be discussed.

Provide a narrative explanation of the following (but not limited to):

- i) Any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and, in each case, the extent to which income was so affected.
- ii) Significant components of revenues or expenses that should, in the company's judgment, be described in order to understand the issuer's results of operations.
- iii) Known trends or uncertainties that have had or that the issuer reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- iv) Known events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), and changes in relationships should be disclosed.
- v) The extent to which material increases in net sales or revenues are attributable to increases in prices or to increases in the volume or amount of goods or services being sold or to the introduction of new products or services.
- vi) Matters that will have an impact on future operations and have not had an impact in the past.
- vii) Matters that have had an impact on reported operations and are not expected to have an impact upon future operations
- viii) Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships that have or are reasonably likely to have a current or future effect on the registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.
- ix) Performance goals, systems and, controls,

Overview of Results of Operations

Table-S1 Economic Indicators Antigua & Barbuda	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18
¹ Real GDP Growth	8.50%	1.90%	3.60%	1.50%	4.20%	2.20%*	2.00%*	2.4%*	4.9%
² GDP per Capita Growth (current prices)	6.87%	1.95%	4.94%	-2.58%	6.17%	5.49%	5.84%	3.25%	N/A
³ Average Inflation Rate (Source ECCB)	3.37%	4.72%	1.41%	0.15%	(0.26%)	0.97%	-0.52%	1.53%*	0.14%*
² GDP per Capita (current prices) EC\$000 omitted	36.8	36.0	37.8	36.8	39.1	41.3	43.7	45.1	45.3
* Estimate									
¹ Source Global Finance : https://www.gfmag.com/global-data/global-data/country-data/antigua-and-barbuda-gdp-country-report									
² Source Knoema Corporation : https://www.knoema.com/atlas/antigua-and-barbuda/gdp-per-capita									
³ Source Statista : https://www.statista.com/statistics/731071/inflation-rate-in-antigua-and-barbuda/									

10.13 Economic Performance – Antigua & Barbuda

10.14 **Table-S1** mirrors doubling of GDP growth rate for Antigua & Barbuda in 2018 to 4.9% punctuated by a low inflation environment. These positive economic indicators were not reflective of the non-growth in annual sales. Other competitive forces are in play, including the ability of small niche operators to engage digital printing as a means of outperforming traditional operators.

10.15 Brake from Salary & Wage Freeze with Controls on Overtime Pay

10.16 Based on **Table-G** below, the Company has managed to contain the growth in staff compensation by restricting the incidence of overtime pay. Growth in the cost was 4% in the last two financial years.

Table-G Aggregate Salaries & Wages	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Salaries & Wages - Admin. Cost	91	81	89	79	94	91	110	111	88	89
Direct Labour - Manufacturing Cost	485	550	502	454	524	531	529	513	532	551
Total Salaries & Wages	576	631	591	533	618	622	639	625	620	640
Table-G Aggregate Salaries & Wages % Change		2011 %	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %	2019 %
		Change	Change	Change	Change	Change	Change	Change	Change	Change
Salaries & Wages - Admin. Cost		-11%	10%	-12%	19%	-3%	21%	1%	-21%	1%
Direct Labour - Manufacturing Cost		13%	-9%	-10%	15%	1%	0%	-3%	4%	4%
Total Salaries & Wages		10%	-6%	-10%	16%	1%	3%	-2%	-1%	3%

10.17 Operating Performance

Table-T Gross Profit Margin %	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cost of goods manufactured & sold	729	797	915	847	1,004	865	961	812	1,113	1,008
Sales	1,093	1,200	1,308	1,129	1,136	1,186	1,461	1,398	1,377	1,382
Cost of each sales dollar	0.67	0.66	0.70	0.75	0.88	0.73	0.66	0.58	0.81	0.73
Cost of goods to Sales Ratio	67%	66%	70%	75%	88%	73%	66%	58%	81%	73%
Gross Margin	364	402	393	282	132	322	500	586	264	373
Sales	1,093	1,200	1,308	1,129	1,136	1,186	1,461	1,398	1,377	1,382
Gross profit from each sales dollar	0.33	0.34	0.30	0.25	0.12	0.27	0.34	0.42	0.19	0.27
Gross Margin %	33.3%	33.5%	30.1%	25.0%	11.6%	27.1%	34.2%	41.9%	19.1%	27.0%
Table-T Gross Profit Margin % Change		2011 % Change	2012 % Change	2013 % Change	2014 % Change	2015 % Change	2016 % Change	2017 % Change	2018 % Change	2019 % Change
Cost of goods manufactured & sold		9%	15%	-7%	19%	-14%	11%	-16%	37%	-9%
Sales		10%	9%	-14%	1%	4%	23%	-4%	-2%	0%
Cost of each sales dollar		0%	5%	7%	18%	-18%	-10%	-12%	39%	-10%
Cost of goods to Sales Ratio		0%	5%	7%	18%	-18%	-10%	-12%	39%	-10%
Gross Margin		11%	-2%	-28%	-53%	144%	55%	17%	-55%	42%
Sales		10%	9%	-14%	1%	4%	23%	-4%	-2%	0%
Gross profit from each sales dollar		1%	-10%	-17%	-54%	134%	26%	23%	-54%	41%
Gross Margin %		1%	-10%	-17%	-54%	134%	26%	23%	-54%	41%

10.18 Table-T: Cost per sale dollar is targeted not to go above 70 cents. In 2017, it reached a 9-year low of 58 cents, surged to a 9-year high of 81 cents in 2018 and settled at 73 cents in 2019.

Table-Z5 Cost of Goods Manufactured & Sold - % Mix	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Manufactured Goods Materials Costs	152	174	319	328	382	243	327	194	484	339
Direct Labour	485	550	502	454	524	531	529	513	532	551
Depreciation - Factory	48	41	33	19	18	14	32	45	43	40
Insurance	0	0	0	0	0	0	0	0	0	0
Light Power & Water	28	26	33	40	38	32	26	28	26	28
Repairs - Plant	17	6	28	6	42	44	47	32	30	50
Table-Z5 Cost of Goods Manufactured & Sold - % Mix	2010 % Mix	2011 % Mix	2012 % Mix	2013 % Mix	2014 % Mix	2015 % Mix	2016 % Mix	2017 % Mix	2018 % Mix	2019 % Mix
Total Manufactured Goods Materials Costs	21%	22%	35%	39%	38%	28%	34%	24%	43%	34%
Direct Labour	67%	69%	55%	54%	52%	61%	55%	63%	48%	55%
Depreciation - Factory	7%	5%	4%	2%	2%	2%	3%	6%	4%	4%
Insurance	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Light Power & Water	4%	3%	4%	5%	4%	4%	3%	3%	2%	3%
Repairs - Plant	2%	1%	3%	1%	4%	5%	5%	4%	3%	5%

Table-Z6 Materials Costs to Sales Ratio	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sales	1,093	1,200	1,308	1,129	1,136	1,186	1,461	1,398	1,377	1,382
Cost of goods manufactured & sold	729	797	927	847	1,004	865	961	812	1,113	1,008
Gross Margin	364	402	381	282	132	322	500	586	264	373
Gross Profit Margin %	33.3%	33.5%	29.2%	25.0%	11.6%	27.1%	34.2%	41.9%	19.1%	27.0%
Table-Z6 Materials Costs to Sales Ratio % Change		2011 % Change	2012 % Change	2013 % Change	2014 % Change	2015 % Change	2016 % Change	2017 % Change	2018 % Change	2019 % Change
Sales		10%	9%	-14%	1%	4%	23%	-4%	-2%	0%
Cost of goods manufactured & sold		9%	16%	-9%	19%	-14%	11%	-16%	37%	-9%
Gross Margin		10%	-5%	-26%	-53%	144%	55%	17%	-55%	42%
Gross Profit Margin %		1%	-13%	-14%	-54%	134%	26%	23%	-54%	41%

10.19 Because of the Company's cost structure, any gross profit margin below 30% is considered inadequate to generate the level of sustained profitability the Company desires in order to be able to pay dividends to shareholders. Last year's gross profit margin of 19.1% is viewed as an aberration. Nonetheless this year's posting of 27% still falls short of the mark as we need to get it above 30%.

Table-Z3 Aggregate Repairs	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Repairs Office Equipment	5	30	17	11	1	3	1	1	2	3
Repairs & Maintenance - General	1	3	2	4	3	3	3	3	3	3
Repairs - Plant	17	6	28	6	42	44	47	32	30	50
Total	22	38	47	21	47	50	51	36	35	56
Table-Z3 Aggregate Repairs % Change	2011 %	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %	2019 %	
Repairs Office Equipment	490%	-44%	-32%	-88%	104%	-76%	70%	93%	22%	
Repairs & Maintenance - General	243%	-20%	63%	-8%	0%	0%	0%	0%	0%	
Repairs - Plant	-63%	361%	-77%	564%	4%	7%	-32%	-7%	68%	
Total	72%	22%	-55%	120%	7%	2%	-29%	-3%	59%	

10.20 Repairs and maintenance costs rose to their highest level in ten years, but given that these costs were relatively low in the two previous financial years, the increase is reasonable.

Summary of Operating Performance

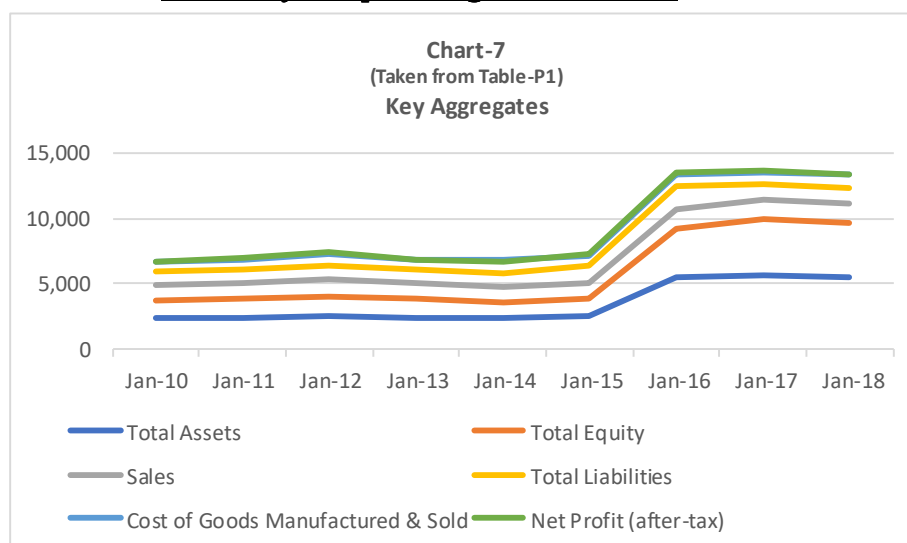


Table-P1 Key Aggregates	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Table-P1 Key Aggregates
Total Assets	2,390	2,418	2,550	2,451	2,328	2,561	5,472	5,633	5,435	5,371	Total Assets
Total Equity	1,388	1,465	1,496	1,424	1,290	1,342	3,778	4,341	4,240	4,786	Total Equity
Sales	1,093	1,200	1,308	1,129	1,136	1,186	1,461	1,398	1,377	1,382	Sales
Total Liabilities	1,002	952	1,054	1,028	1,038	1,220	1,694	1,292	1,195	586	Total Liabilities
Cost of Goods Manufactured & Sold	729	797	927	847	1,004	865	961	812	1,113	1,008	Cost of Goods Manufactured & Sold
Net Profit (after-tax)	119	77	31	-72	-134	52	144	176	-73	37	Net Profit (after-tax)

10.21 Last year we reported that "the most significant revelation displayed by the key aggregates 9-year array is the observation that in 2017, a level of sales lower than the 2016 sales (2% lower), generated 22% more net profit."

10.22 By contrast, in 2018, total sales were virtually equal to those generated in 2017; yet in 2018 we sustained a net loss of \$73,000 as against a profit of 176,000 in 2017.

10.23 Having identified the cause as the previous inventory evaluation system, and instituted a more robust one, expectations are that going forward we should witness consistent results and greater stability in operating performance.

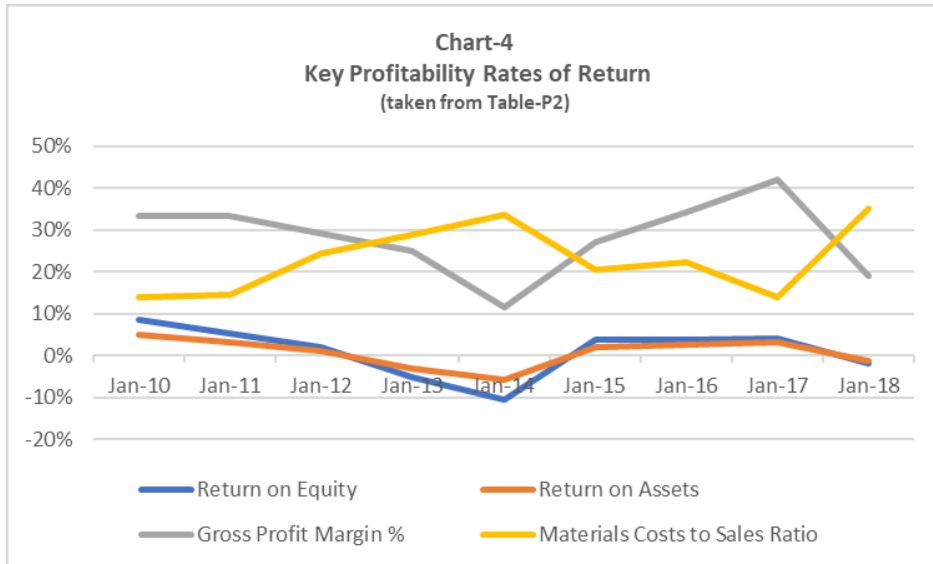


Table-P2 Key Profitability Rates of Return	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Table-P2 Key Profitability Rates of Return
Return on Equity	9%	5%	2%	-5%	-10%	4%	4%	4%	-2%	1%	Return on Equity
Return on Assets	5%	3%	1%	-3%	-6%	2%	3%	3%	-1%	1%	Return on Assets
Gross Profit Margin %	33%	34%	29%	25%	12%	27%	34%	42%	19%	27%	Gross Profit Margin %
Materials Costs to Sales Ratio	14%	14%	24%	29%	34%	21%	22%	14%	35%	25%	Materials Costs to Sales Ratio

10.24 **Table-P2:** All of the key profitability rates of return show sharp deterioration in operating performance, but having isolated and fixed the profitability destabilizing factor, we look forward to moderately profitable trading periods.

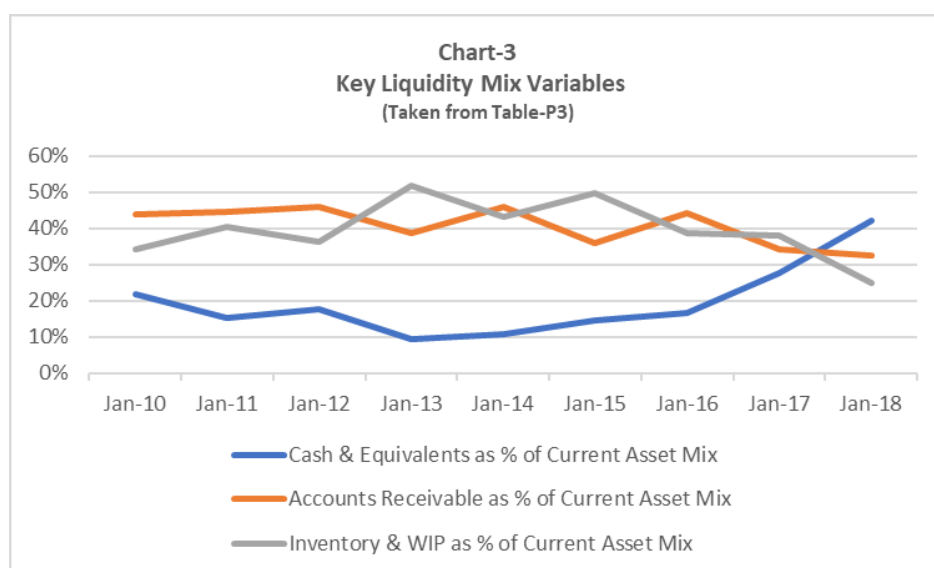


Table-P3 Key Liquidity % Mix Variables	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Table-P3 Key Liquidity % Mix Variables
Cash & Equivalents as % of Current Asset Mix	22%	15%	18%	9%	11%	14%	17%	28%	42%	37%	Cash & Equivalents as % of Current Asset Mix
Accounts Receivable as % of Current Asset Mix	44%	44%	46%	39%	46%	36%	44%	34%	33%	41%	Accounts Receivable as % of Current Asset Mix
Inventory & WIP as % of Current Asset Mix	34%	40%	36%	52%	43%	50%	39%	38%	25%	21%	Inventory & WIP as % of Current Asset Mix

10.25 The Company reached its best liquidity position in nine years with cash representing 42% of its asset mix and accounts receivable and inventory well within their target ranges. The Company can use this liquidity lever to its strategic advantage by offering new customers credit terms for large volume business and making bulk purchases of raw materials and other inventory inputs at bargain prices.

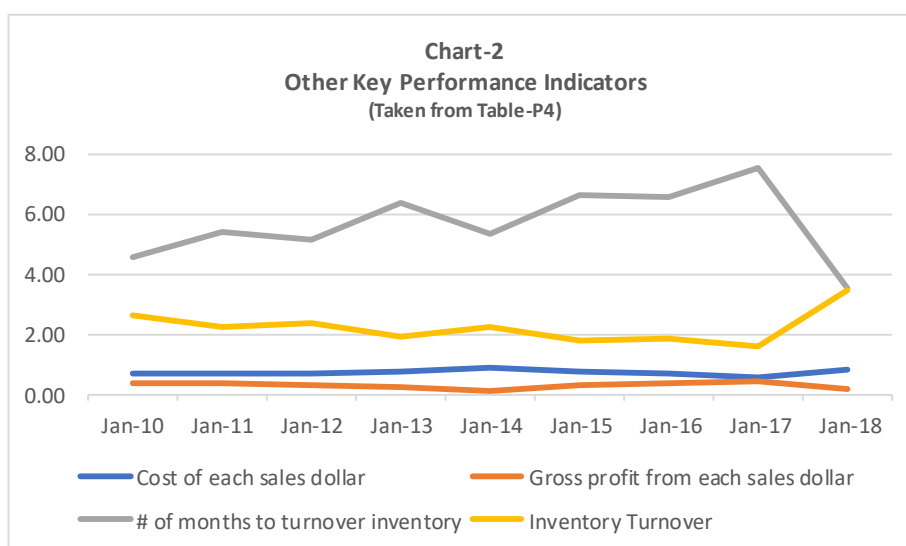


Table-P4 Other Key Performance Indicators	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Table-P4 Other Key Performance Indicators
Cost of each sales dollar	0.67	0.66	0.70	0.75	0.88	0.73	0.66	0.58	0.81	0.73	Cost of each sales dollar
Gross profit from each sales dollar	0.33	0.34	0.30	0.25	0.12	0.27	0.34	0.42	0.19	0.27	Gross profit from each sales dollar
# of months to turnover inventory	4.54	5.37	5.14	6.35	5.36	6.64	6.55	7.99	3.50	3.20	# of months to turnover inventory
Inventory Turnover	2.64	2.23	2.33	1.89	2.24	1.81	1.83	1.50	3.43	3.74	Inventory Turnover
Net Profit (after-tax)	119	77	31	-72	-134	52	144	176	-73	37	Net Profit (after-tax)

10.26 We do not expect to witness the performance variability seen between 2017 and 2018 (**Table-P4**) in subsequent financial years, unless some material factor were to witness significant divergence, such as a doubling of overseas paper pulp prices. And given the very competitive environment in which the Business operates, the Directors need to push additional technology levers, totally restructure the business and create a new marketing programme capable of attracting new business. Social media marketing platforms are expected to lead the new drive for new and incremental sales. Most competitors go after niche markets and/or are low-cost producers. APP goes after broad markets, although it has done well within a niche market dominated by Government and Statutory Corporations.

10.27 Investing in more up-to-date technology can continue to pare down costs, increase output rates, and provide greater production flexibility. Employees would need to learn new skills driven by adoption of smart technology. And reduced staffing levels, facilitated by the retirement of staff and acceptance of separation packages by others, could become a feature of the restructuring strategy, if considered appropriate.

11. Changes in and Disagreements with Auditors on Accounting and Financial Disclosure.

Describe any changes in auditors or disagreements with auditors, if any, on financial disclosure.

We have no changes in or disagreements with the Auditors on accounting and financial disclosure.

12. Directors and Executive Officers of the Reporting Issuer.

Furnish biographical information on directors and executive officers indicating the nature of their expertise.

Complete Biographical Data Form attached as Appendix-1(a) for each director and executive officer

13. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report provided that the material change occurred within seven days of the due date of the Form ECSRC – K report. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC – MC report which would otherwise be required to be filed with respect to such information.

Nothing to report

14. List of Exhibits

List all exhibits, financial statements, and all other documents filed with this report.

- 1. Primary Owners
- 2. Management Team
- 3. Audited Financial Statements for 2019 (**already submitted under separate cover**)